

**UNC Workgroup 0672 Minutes
Incentivise Product Class 4 Read Performance**

Friday 07 December 2018

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse*	(CWh)	First Utility
Chris Warner	(CW)	Cadent
Edd Fyfe*	(EF)	SGN
Emma Smith	(ESm)	Xoserve
Imran Shah*	(IS)	British Gas
John Welch	(JW)	npower
Kirsty Dudley*	(KD)	E.ON
Leanne Jackson	(LJ)	Xoserve
Lorna Lewin*	(LL)	Orsted
Louise Hellyer	(LH)	Total Gas & Power
Luke Reeves*	(LR)	EDF Energy
Mark Bellman	(MB)	ScottishPower
Megan Coventry*	(MC)	SSE
Michael Robertson	(MR)	ScottishPower
Shaheeni Vekaria*	(SV)	Utility Warehouse
Steven Britton*	(SB)	Cornwall
Tracey Saunders	(TS)	Northern Gas Networks

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0672/071218>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 March 2019.

1.0 Introduction and Status Review

1.1. Approval of Minutes (19 November 2018)

Minutes were approved.

2.0 Amended Modification

Michael Robertson (MR) talked the Workgroup through the changes and advised that since the amended modification was published, several questions and comments have been received regarding the solution. The solution currently includes some assumptions and the 'How' section needs to be tied up with the solution.

A further amended modification (v3.0) will be submitted next week.

MR talked through the slides provided for the meeting beginning with an explanation as to why there is a need for this modification and how it is going to counteract the issues.

Why Change:

- There has been excessive levels and volatility in Unidentified Gas (UIG) since the implementation of Project Nexus 01 June 2017.
- To ensure the accuracy of energy calculations it is extremely important that regular meter reads are submitted for all Supply Points.
- At present there are read submission performance reports and targets set out in the UNC but there is no incentive to achieve these targets.

Workgroup discussed the implication that the UNC contract has 'no teeth' and whether everything in UNC should be incentivised as a result.

Solution:

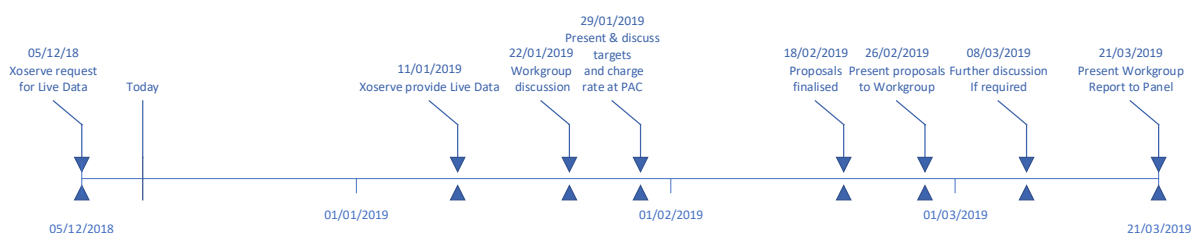
- The modification will have 2 key parts:
 - a) Reporting & measuring performance vs. defined targets
 - b) Applying a read incentive charge.
- It is proposed that current Xoserve reconciliation reports will be used to measure shipper performance.
- Shippers will be measured against a target of % of Allocation energy volume reconciled to an actual read.
- It is proposed that an incentive charge would be applied to any shipper who fails to meet the defined target.

To aid analysis, ScottishPower have requested live data from Xoserve, 11 January is the deadline for Xoserve to provide this. Rebecca Hailes (RH) suggested the DSC change proposal is raised as soon as possible.

Kirsty Dudley (KD) suggested to look to see if there are any overlaps with Change Proposal XRN4789 – Updating Shipper Reporting Packs and glossary.

Mark Bellman (MB) confirmed that there will be a separate document for UNC similar to a charging statement.

MR went on to explain the modification timelines proposal, which is as follows:



Because this is a 'PAC modification' and Gemserv need to deliver the amendments, it was confirmed that Gemserv are currently working on an amended modification.

MR moved on to talk through the worked examples spreadsheet provided for the meeting and explained how the methodology incentive would be worked out.

For further detail, please see the material published here:

<http://www.gasgovernance.co.uk/0672/071218>.

3.0 Review of Relevant Objectives

Not covered.

4.0 Consideration of Legal Text

Not covered.

5.0 Review of additional questions from Panel for consideration

5.1. Q1. Clarify how many meters are now in Product Class 4

New Action 1201: Action on Xoserve to confirm how many meters are now in Product Class 4.

5.2. Q2. Clearly articulate the potential impact on shippers in order to assess materiality.

The live data requested from Xoserve will cover this.

6.0 Development of Workgroup Report

Not covered.

7.0 Review of outstanding actions

No actions to review.

8.0 Next Steps

The next meeting will be held on Tuesday 22 January 2019.

9.0 Any Other Business

None raised.

10.0 Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:30 Tuesday 22 January 2019	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Detail planned agenda items.
10:30 Tuesday 26 February 2019	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Detail planned agenda items.

Action Table (as at 07 December 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
------------	--------------	------------	--------	-------	---------------

0801	31/10/18		<p>31 October 2018: Transferred Action from UIG Workgroup: 0801: <i>Reference targeting volatile UIG sites - Xoserve (FC)</i> to consider providing some initial AQ movement versus the age of the read data related information.</p> <p>Latest Update: FC advised that this roughly works out to £5k per day; FC will provide the working out so that MB can utilise it within Modification 0672. Carried Forward (this action has been transferred from the UIG Workgroup)</p>	Xoserve (FC)	Carried Forward
1201	07/12/18	5.1 (Panel Questions)	Action on Xoserve to confirm how many meters are now in Product Class 4.	Xoserve (ESm)	Pending