

UNC Workgroup 0672 Minutes Incentivise Product Class 4 Read Performance

Tuesday 22 January 2019

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

Attendees

| | | |
|----------------------------|-------|-----------------------|
| Bob Fletcher (Chair) | (BF) | Joint Office |
| Karen Visgarda (Secretary) | (KV) | Joint Office |
| Alexander Mann* | (AM) | Gazprom |
| Andy Clasper | (AC) | Cadent |
| Carl Whitehouse* | (CWh) | First Utility |
| Emma Smith | (ESm) | Xoserve |
| Fiona Cottam | (FC) | Xoserve |
| 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 |
| Mark Jones * | (MJ) | SSE |
| Mark Palmer* | (MP) | Orsted |
| Sallyann Blackett | (SB) | E.ON |
| Shaneeni 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/0672/220119>

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 (07 December 2018)

Minutes were approved.

2.0 Amended Modification

Mark Bellman (MB) explained that Michael Robertson (MR) sent his apologies as he was unable to attend the Workgroup meeting.

MB said that the Modification was now almost complete and the outstanding work in relation to the data was now with Xoserve. He explained that the financial incentive elements of the Modification would be further discussed at the Performance Assurance Committee (PAC) meetings on 29 January and 08 February and then again at the UIG Workgroup on 26 February 2019. This would allow the solution to be finalised and allow the drafting of Legal

Text. He added that at the 29 January PAC meeting discussions would take place regarding the target pence per unit charge, which would subsequently be added into the Modification.

MB drew attention to the MPRN graph as detailed in the Modification solution which highlighted where the movements were over 50% of the AQ with an old read, demonstrating that older reads lead to more volatility in the market. He said Xoserve were in the process of supplying more information in relation to the data and that the UIG Taskforce findings were consistent with the investigations being carried out.

MB confirmed the Legal Text would be requested at 21 February 2019 Panel meeting with the aim of concluding the Workgroup Report for the March Panel. Andy Clasper (AC) said that on initial viewing of the Modification the Cadent Legal team felt there was insufficient information surrounding the incentive charge. MB agreed to expand this area and amend the Modification following discussions at PAC.

New Action 0101: ScottishPower (MB) to add detailed business rules into the Modification in relation to the incentive charge section to allow the Legal Text to be produced.

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

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

Action 1201 (ref 5.1): Action on Xoserve to confirm how many meters are now in Product Class 4.

Update: ESm confirmed that as of 11 January 2019 there were approximately 24 million Supply Meter Points in Product Class 4. She said this action could then be closed. **Closed.**

8.0 Next Steps

The next meeting will be held on Tuesday 26 February 2019 and BF said it was his aspiration to review the Legal Text, ROM and develop the Workgroup Report.

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 26 February 2019 | Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA | Detail planned agenda items. |

Action Table (as at 22 January 2019)

| 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) to consider providing some initial AQ movement versus the age of the read data related information.</i></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 to the UIG Workgroup)</p> | Xoserve (FC) | Closed |
| 1201 | 07/12/18 | 5.1 (Panel Questions) | Action on Xoserve to confirm how many meters are now in Product Class 4 | Xoserve (ESm) | Closed |
| 0101 | 22/01/19 | 2.0 | ScottishPower (MB) to add detailed business rules into the Modification in relation to the incentive charge section to allow the Legal Text to be produced. | ScottishPower (MB) | Pending |