

**UNCC (AUG) Sub-Committee**  
**Friday 13 May 2021**  
**via teleconference**

<b>Attendees</b>		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
Chandima Dutton	(CD)	Waters Wye Associates
Christian Hill	(CH)	Engage Consulting (AUGE)
Fiona Cottam	(FC)	Correla on behalf of Xoserve
Jason Salmon	(JS)	Utilities Warehouse
Jonathan Kiddle	(JK)	Engage Consulting (AUGE)
Kirsty Dudley	(KD)	E.ON
Louise Hellyer	(LH)	Total Gas & Power
Mark Jones	(MJ)	SSE
Neil Cole	(NC)	Correla on behalf of Xoserve
Robert Wynne	(RW)	Scottish Power
Sophie Dooley	(SD)	Engage Consulting (AUGE)
Steve Blackler	(SB)	E
Steve Mulinganie	(SM)	Gazprom
Utkarsha Chavan	(UC)	Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/aug/130521>

**1.0 Introduction and Status Review**

Alan Raper (AR) welcomed everyone to the meeting.

**1.1. Approval of Minutes (06 April 2021)**

The minutes were approved.

**1.2. Approval of Late Papers**

There were no late papers.

**1.3. Review of Outstanding Actions**

No outstanding actions to review.

**2.0 Potential Innovations**

For a detailed update, please refer to the published slides and corresponding spreadsheet on the meeting page.

Christian Hill (CH) advised attendees that the purpose of this meeting is to provide the Committee with the detail of the 27 identified innovations. CH advised that they will not be able to take all the innovations forward, therefore the AUGE will be asking the Committee to provide informed views as to which innovations are suitable to be progressed further to a Business Case for the investigation stage.

## **Background**

Jonathan Kiddle (JK) was invited to present the AUGE's Innovations and explained that all 27 have been grouped into 6 areas with 2 of the 27 innovations being ruled out of scope as they related to LDZ Shrinkage:

1. More Weighting Factors (8)
2. Dynamic Weighting Factors (2)
3. Industry Rules (5)
4. Data Investigation (6)
5. Additional Data (2)
6. Other (2)

JK explained that the full details for each of the 27 potential innovations, including the intended outcome, the pros and the cons can be found on the accompanying spreadsheet published alongside the presentation. JK further explained, to provide an initial assessment, each innovation has been scored against a high-level assessment of the ease of implementation and the potential benefit scale, the highest possible score of 5 with 5 being the easiest/largest and 1 being the hardest/smallest.

JK advised that at the last meeting held, the Committee was informed of a shortlisting of the Top 3 innovations that are being suggested to take forward but attendees asked for more detail for each of the 27 innovations, which is the reason for holding the meeting.

JK proceeded to explain each of the slides from the material provided which was a summary of what is in the accompanying spreadsheet.

JK advised that the 2 LDZ Shrinkage innovations are out of scope from the core AUGE service because one refers to leakage rates and the other is linked to the estimation of upstream theft.

JK then presented each group of innovations and provided the extra detail requested in terms of pros and cons and the high-level assessment for each group:

### **More Weighting Factors – Equitable (8)**

- LDZ Specific Factors
- Different Factors for the EUC WAR bands
- Different Factors for Allocation and Reconciliation (transient UIG)
- Seasonal Factors
- Fixed and Floating Weighting Factors
- Factors specific to Shippers
- Split EUC bands 1 and 9
- Dimension relating to the last accepted read

### **Questions on More Weighting Factors:**

When Utkarsha Chavan (UC) asked a question on meter read frequency, Fiona Cottam (FC) provided a brief explanation of the part of the UNC where it states that sites with a monthly read frequency should be read at least every 4 months and that all meter points should have at least one meter read in 12 months.

UC confirmed that there are certain meters where there have been no reads for more than 12 months, which would impact UIG.

JK advised that LDZ Specific Factors is one of the top 3 scoring innovations previously identified during Sub-Committee meetings.

JK directed the Committee to Slide 45 which shows the Initial Assessment for all potential innovations that are in scope, each with its own unique ID which has then transferred to the accompanying spreadsheet.

### **Dynamic Weighting Factors – Equitable (2)**

- Dynamic Weighting Factors linked to the throughput

LH asked if the NDM Algorithm needs addressing rather than temperature, and is there more UIG on colder days? JK advised that there is still some way to go regarding the temperature effect, particularly at the allocations stage. LH further noted that further clarification would be needed in effect of colder days on UIG. FC clarified that the investigation would need to analyse daily data to detect temperature related trends.

- Temperature and pressure actuals feeding into the Weighting Factors

### **Industry Rules - Contributor Specific Data Investigation – Equitable (5)**

JK advised there are 5 innovations related to Industry Rules:

- Recalculate the UIG and Weighting Factors at the Line in the Sand
- Changing the residual reconciliation redistribution process (UGR)
- Re-reconciling the whole month
- All meters must have volume conversion equipment fitted
- Portfolio Optimisation effect

### **Data Investigation – Contributor Specific Data Investigation – Equitable (6)**

- Investigation into the temperature of gas in the meter
- Investigation into the accuracy (bias) of all types of meter
- Leakage investigation of IGT sites
- Audit of the Correction Factors
- Optimum meter capacity
- In service testing for LDZ offtake meters

JK advised that an audit of Correction Factors is one of the top 3 scoring innovations identified as part of Sub-Committee discussions.

#### **In service testing for LDZ offtake meters**

When reviewing the Initial Assessment for the Data Investigations innovations, JK was asked why the quadrant scoring indicates it is difficult to implement the LDZ Offtake Meters innovation. JK advised that these relate to specific sites; SM highlighted there is a current industry issues and concern as it has been discovered that an LDZ meter has had its orifice plate fitted the wrong way around, which had a consequential impact on UIG.

JK highlighted that Ease of Implementation for Users needs to be factored into the scoring of the Initial Assessment for each group, adding that he would like to see what the Shipper appetite is for each innovation.

#### **Additional Data – Equitable (2)**

- Direct reporting ability
- Additional central reporting

JK clarified these innovations would be more of a benefit to the AUGE Service rather than UIG.

#### **Other – Potentially reduces UIG and/or makes it more equitable (2)**

- Weighting Factors used to Incentivise
- Factors linked to performance assurance measures

### **Conclusion (slide 45)**

JK showed the summary of all Initial Assessment for all potential innovations that are in scope and advised he is happy to be challenged on any of the scorings.

JK advised the innovations have been scored based on ease of implementation and potential benefit which can be seen on slide 17 of the presentation material provided. JK explained the quadrant scoring of the Initial Assessment and agreed to communicate this to the Committee:

Top right = easy to implement / highest benefit

Top Left = not easy to implement / high benefit

Bottom right = easy to implement / little or no benefit

Bottom left = not easy to implement / little or no benefit

**New Action 0501:** JK took a post meeting update action to show communicate the quadrant scoring for Potential Benefit vs Ease of Implementation shown on the Initial Assessment slides at the end of each group.

AR confirmed that the accompanying spreadsheet captures all the detail discussed.

### 3.0 Next Steps

JK confirmed that he would now like Committee members to review the scoring for each of the innovations and provide feedback, two questions have been provided for Committee members to consider:

1. Are there any further innovations that have been identified by Committee members?
2. Is there a group or individual innovation that we can get consensus on progressing further?

It was agreed that adding Shipper ease of implementation would be beneficial.

JK advised that originally, pursuing one innovation a year was proposed but this has slipped over the last year, therefore, the AUGE could consider, on this occasion, progressing two.

CH highlighted this would only include developing a business case for the chosen innovations.

At the July 2021 introductory meeting, the results and feedback will be discussed further.

### 4.0 Any Other Business

None

### 5.0 Diary Planning

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

Time/Date	Venue	AUG Sub-Committee Agenda
02 July 2021	Via Microsoft Teams	Standard Agenda
30 September 2021	Via Microsoft Teams	Standard Agenda

### Action Table (as at 13 May 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0501	13/05/21	3.0	JK took a post meeting update action to show communicate the quadrant scoring for Potential Benefit vs Ease of Implementation shown on the Initial Assessment slides at the end of each group	Engage (JK)	Pending