

UNC Request Workgroup 0778R Minutes Gas Vacant Sites Process review

Tuesday 11 January 2022

via Microsoft Teams

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andy Clasper	(AC)	Cadent
Antonia Scott	(AS)	Shell Energy
Clare Manning	(CM)	E.ON
David Mitchell	(DM)	Scotia Gas Networks
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve
Guv Dosanjh	(GD)	Cadent (<i>late participant</i>)
John Harris	(JH)	Correla on behalf of Xoserve
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU UK
Lee Greenwood	(LG)	British Gas
Nicky Kingham	(NK)	Correla on behalf of Xoserve
Paul Senior	(PS)	Utilita Energy
Steve Mulinganie	(SM)	Gazprom
Tom Stuart	(TSt)	Wales & West Utilities
Tracy Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0778/110122>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 August 2022.

1. Introduction and Status Review

Alan Raper (AR) welcomed all to the meeting, noting the apologies provided by Oorlagh Chapman.

1.1. Approval of Minutes (03 November 2021)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

There were no late papers.

1.3. Review of Outstanding Actions

Action 0902: British Gas (LG) to provide an overview of the consequences of a failed audit. (i.e. what happens to a site that is discovered as occupied).

Update: When Lee Greenwood (LG) advised that investigations on this matter remain ongoing and that an update would be provided at the next Workgroup meeting, it was agreed to carry forward the action. **Carried Forward**

Action 0905: British Gas (LG) to provide a description on how Shippers/Suppliers satisfy themselves that their approach not to inspect meters at least once every 2 years complies with health and safety legislation.

Update: Please refer to the update provided for action 0902 above. **Carried Forward**

Action 1101: Joint Office (LOS) to ask CACoP to consider how the information required for the P196 process can be replicated in the Gas market and how the information can be passed to Shippers from Suppliers.

Update: When AR requested to carry forward the action in order to allow him time to discuss the matter with his Joint Office colleague(s) and obtain a better understanding of what progress, if any, had been made to date, parties in attendance undertook a short debate during which the following key points were raised:

- Workgroup participants are still supportive of the Joint Office engaging with CACoP on this matter;
 - It was suggested that CACoP might not be the correct (most suitable) party with which to engage on the matter;
- It was noted that the Shipper to Supplier relationship is subtly different in the Gas Market than the Electricity Market model; and
- Care is needed to avoid simply 'mimicking' elements of existing Contractual Arrangements.

In light of the discussions AR agreed to investigate further and to repost back in due course. **Carried Forward**

Action 1102: All Workgroup Members to review the impact and appetite for changing the Rolling or Formula Year AQ.

Update: When Lee Greenwood (LG) observed that this action was created in response to discussions undertaken at earlier Workgroup meetings and in essence looks to 'tease out' potential option around how to manage Rolling or Formula Year AQ going forward, Steve Mulinganie (SM) enquired whether the Workgroup had considered the potential issues surrounding temporary and/or permanent vacant sites and how long a site should / would be deemed as vacant.

In pointing out that any changes to the '*Rolling AQ*' approach would stop energy and changes to the '*Formula Year AQ*' approach would stop the capacity aspects, AR also explained that the '*Formula Year AQ*' solution changes would be commercially more significant than stopping energy allocation. Furthermore, it should be noted that on the electricity side, the matter has been considered and the solution embedded within the Balancing and Settlement Code (BSC).

It was agreed to carry forward the action and re-assess during ongoing developments around the two options. **Carried Forward**

2. Review of Site Visit Codes

When asked whether these are RGMA related codes, LG responded by explaining that they are linked to the BSC change P196 (check code) process, which was agreed at the previous Workgroup meeting would be mirrored to create the Gas Vacant Sites process along with a recommendation that CDSP would manage the actual process.

During an extensive debate various items of interest / concern were raised as follows:

- Are all parties consistently receiving 'no access' codes and how should / could these be utilised to establish a site's status;

- Is a zero consumption at an Automated Meter Reading (AMR) / SMART meter site really an issue or is it related to sites without an AMR / SMART meter installed (i.e. dumb meter) still generating an AQ when deemed to be a vacant site;
 - Parties debated whether there is a difference between a site where access cannot be gained, but gas is still being consumed, or a site which is obviously vacated;
 - It was suggested that there could be benefit in development of a process (similar to the P196 check codes in the electricity arena) for dumb metered sites on the gas market side, even though it (the gas side) struggles with the concept of dedicated flow related processes;
 - It was suggested that a vacant (site) status is predominately, but not exclusively, related to 'dumb' sites;
 - It was agreed that a better understanding of the various site status options would be needed going forward;
 - It was also noted that AMR / SMART meters can revert to a 'dumb' role should the meter experience a battery or technology failure;
 - It is recognised that care would be needed in assessing the ever-increasing numbers of AMR / SMART meters in use going forward;
 - The consensus amongst those parties in attendance being that the assessment undertaken by this Request Workgroup should include all elements (i.e. everything) across ALL Product Classes on the grounds that the issues relate to site characteristics rather than meter characteristics;
- In respect of the vacant site issue, it was generally agreed that provision of a high-level timeline process flow map identifying key 'action / response trigger points' (often referred to as stage gates) would / could be beneficial;
 - In noting that it is often a customer or Meter Reading Agent that raises concerns in the first instance that a site may well be vacant, it is how processes are commenced and what steps would be involved and the associated roles therein, that raise concerns;
 - In many instances gaining a warrant to obtain access to a site simply to validate a premises status would be difficult;
 - In noting the work undertaken previously under the auspices of UNC Modification 0282 / 0282A *'Introduction of a process to manage Vacant sites'*¹ which was rejected by Ofgem on 20 July 2011, parties agreed that lessons should be learnt in order to avoid simply repeating this previous exercise and potentially reaching a similar outcome;
 - It was noted that care is also needed around instances where a site has been initially deemed as vacant but turns out to be (partially) occupied (i.e. holiday vacancies etc.) and that special consideration of a 'reversing out' (switch off) process would be needed in due course – whilst this should take the form of a 'light touch' based approach wherever possible, it should not leave any process loop holes;
 - Care would be needed in considering what actions to undertake when a party is clearly taking advantage of the new relief processes (i.e. CDSP automatic intervention), especially aspects relating to any AQ correction requirements;

¹ Copies of the UNC Modification 0282 0282A documentation are available to view and/or download from the Joint Office web site at: <https://www.gasgovernance.co.uk/0282>.

- It was agreed that both the entry and exit criteria (i.e. returning a vacant site back to a non-vacant status) surrounding the new processes would need to be clearly defined;
- Concerns were voiced over the lack of a clear definition for what constitutes 'a vacant site';
 - Reference was made to the BSC definition for a 'Long Term Vacant' site (paragraph 2.8)²;
 - It was noted that these criteria could be applied across both the Domestic and Non-Domestic Gas sites;
- It was suggested that as a good starting point, unoccupied sites (inc. renovations, holiday lets, probates etc.), and non-consuming sites and no access sites should be included within any (vacant site) process to be developed going forward and should / would form the framework for any proposed solution in conjunction with the development of supporting Business Rules (BR);
 - It was noted that elements of the current isolations process might also be adopted / retained / developed in due course;
 - In noting that whatever new BR and processes are developed, there would always be the 'out of the ordinary' scenarios, it was agreed that the aim of the new process would be to allow amendment of a site AQ without (wherever possible) invoking the isolations process;
 - It is recognised that any ambiguous solution will struggle to get a Modification 'over the line';
 - It would be feasible to develop a more basic process which could then be developed over time;
 - It was noted that an unoccupied site, where there is an end user paying the bills, should not invoke the proposed new processes, on the grounds that the existing invoicing and reconciliation processes would work;
 - Utilisation of existing and potentially common BSC terminology would be beneficial especially in respect of temporary (short term) vacancy or unoccupied sites;
 - If the Request Workgroup are able to define 'long term vacancy' this could then be scaled back pro-rata to apply to 'short term vacancy' – this could take the form of a set of variable criteria;
 - It was noted that the electricity model utilises a re-evaluation process which could be adapted for use on the gas side;
 - Where the BSC utilises a term for 'utmost reasonable steps', the UNC utilises 'reasonable endeavours';
 - One suggestion put forward was to look to examine current sites with varying status in order to ascertain what appropriate actions and supporting processes would be needed in order to manage these;
- Development of a supporting Guidance Document (in the form of a UNC Related Document) that outlines the detailed aspects behind the BR and associated processes would / could be extremely beneficial for users;

² A copy of the Electricity Balancing and Settlements Code (BSC) can be viewed and/or downloaded from the Elexon web site at: <https://www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/>

- The document should provide for 'tests' to ensure that due process is followed;
- Some parties also favour development of a capacity and commodity-based solution (i.e. catering for both Rolling and Formula Year AQ requirements);
- It is suggested that provision of a set of clear criteria (especially in relation to the validation aspects), including BR relating to 'no access', would be crucial in moving forward;
 - Establishing sound criteria for 'no access' type site parameters is essential in order to provide assurances for an unoccupied sites process;
 - A definition for 'reasonable steps / effort' relating to 'no access' status would be beneficial and should include identification of appropriate communication routes – linked to the timeframe for establishing vacant sites;
 - This could involve multiple levels of validation which could / should be outlined within a Guidance Document, rather than trying to incorporate within the UNC Modification solution – it was noted that the guidance document itself would never be 100% perfect;
 - Some believe development of a fast-track process for certain 'no access' aspects would be crucial along with further consideration of cost apportionment aspects;
 - It was noted that high-level criteria discussions would aid establishment of a possible framework going forward;
- It was noted that ceasing either the Rolling or Formula Year AQ processes would result in a natural reduction in some of the existing related process steps.

Attention then switched to how to best approach development of a (draft) UNC Modification, as an output from this Request Workgroup, with parties acknowledging the role that any proposed (initially skeletal) Business Rules would play in defining both the Modification and the Guidance Document – this in turn will help in scoping a high-level solution for the Modification that would be 'fit for purpose'.

Concluding discussions two new actions were assigned to LG, the first being to provide examples of current sites with various status's and how any new processes would cater for these, and a second action looking to develop an initial high-level set of (draft) Business Rules for vacant sites (inc. any potential test criteria) and supporting guidance around unoccupied sites and potential 'switch off' criteria.

New Action 0101: *Reference Unoccupied and Vacant Sites* – British Gas (LG) to provide examples of current sites with various status's and how any new processes would cater for these.

New Action 0102: *Reference Draft High-Level Business Rules* – British Gas (LG) to develop an initial high-level set of (draft) Business Rules for vacant sites (inc. any potential test criteria) and supporting guidance around unoccupied sites and potential 'switch off' criteria.

3. Impact of Changing the Rolling or Formula Year AQ

It was agreed that this item had been sufficiently covered off during discussions on agenda item 2. above.

4. Next Steps

4.1. Quarterly updates for Panel (December, March 2022, June 2022)

AR advised that he would formulate an update based on the Workgroup discussions to date, which he will circulate to Workgroup participants for approval after the meeting, with a view to providing a progress update to the 17 February 2022 Panel.

4.2. Topics for Discussion at Next Meeting

AR confirmed the next meeting would focus on reviewing:

- Review of Existing Site Status and Potential Impact of New Processes
- Consideration of draft Business Rules and Framework for development of (draft) UNC Modification

5. Any Other Business

None.

6. Diary Planning

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

Workgroup meetings will take place as follows:

Time/Date	Paper Publication Deadline	Venue	Programme
10:00, Tuesday 08 February 2022	17:00, Friday 28 January 2022	Teams Meeting	Standard Request Workgroup Agenda

Action Table (as at 11 January 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0902	23/09/21	1.0	British Gas (LG) to provide an overview of the consequences of a failed audit. (i.e. what happens to a site that is discovered as occupied).	British Gas (LG)	Carried Forward Update due 08/02/22
0905	23/09/21	1.0	British Gas (LG) to provide a description on how Shippers/Suppliers satisfy themselves that their approach not to inspect meters at least once every 2 years complies with health and safety legislation.	British Gas (LG)	Carried Forward Update due 08/02/22
1101	03/11/21	3.0	Joint Office (LOS) to ask CACoP to consider how the information required for the P196 process can be replicated in the	Joint Office (LOS)	Carried Forward Update

Action Table (as at 11 January 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			Gas market and how the information can be passed to Shippers from Suppliers.		due 08/02/22
1102	03/11/21	6.0	All Workgroup Members to review the impact and appetite for changing the Rolling or Formula Year AQ.	All Workgroup Members	Carried Forward Update due 08/02/22
0101	11/01/22	2.	<i>Reference Unoccupied and Vacant Sites</i> – British Gas (LG) to provide examples of current sites with various status's and how any new processes would cater for these.	British Gas (LG)	Pending
0102	11/01/22	2.	<i>Reference Draft High-Level Business Rules</i> – British Gas (LG) to develop an initial high-level set of (draft) Business Rules for vacant sites (inc. any potential test criteria) and supporting guidance around unoccupied sites and potential 'switch off' criteria.	British Gas (LG)	Pending