

UNC Workgroup 0564R Minutes
Review of Annual Read Meter Reading requirements
Thursday 28 January 2016
31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andy Clasper	(AC)	National Grid Distribution
Angela Love*	(AL)	ScottishPower
Carl Whitehouse	(CWh)	First Utility
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Mitchell	(DM)	Scotia Gas Networks
Fraser Mathieson	(FM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye Associates
Gavin Anderson*	(GA)	EDF Energy
Hilary Chapman	(HC)	Xoserve
John Welch	(JW)	RWE npower
Jon Dixon*	(JD)	Ofgem
Kirandeep Samra	(KS)	RWE npower
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Matt Jackson	(MJa)	British Gas
Mike Bagnall	(MB)	British Gas
Naomi Nathanael	(NN)	Plus Shipping
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy*	(RP)	Wales & West Utilities
Robert Wigginton	(RW)	Wales & West Utilities
Steve Mulinganie	(SM)	Gazprom

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0564/280116>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 March 2016.

1.0 Introduction and Status Review

1.1. Approval of Minutes (22 December 2015)

The minutes of the previous meeting were approved.

2.0 Provision of meter read performance information

Action 1201 - Xoserve presentation

Responding to Action 1201, Xoserve had provided statistics to support the Workgroup's discussions in relation to cyclic meter read performance across the Shipper community.

Data was taken from MPRNs where there is a live meter and confirmation. An anonymised breakdown by Shipper was also provided. A discussion ensued.

HC explained how the figures had been arrived at. MJa asked if a formula could be provided to clarify this.

Action 0101: Annual Read MPRNs - Xoserve to provide a formula to clarify how the figures had been derived.

SM commented that information was lacking so that it could be better understood whether or not Shippers had actively attempted, on one or more occasions, to obtain a read but had failed for a particular reason.

AL commented that it was odd that there were no LSP only Shippers in the list. It was believed that most LSP sites also contained SSPs (to service on site canteens for example) and that the disaggregation process had separated out SSPs that were originally included as part of an LSP.

Meter Reading Requirements - British Gas presentation

MJa gave a short presentation on Meter Reading Requirements, proposing that Settlement performance targets should be designed to reduce the risk of inaccurate energy allocation.

Any inaccuracies will reconcile back to the 'line in the sand', assuming a meter read is received prior to that date. The key date is 'the line in the sand'. MJa proposed that targets should be based around performance at the 'line in the sand' and could build up to it, and illustrated increasing percentages over 3 years. He suggested that if different targets were chosen for different customer types this should be based on Product Class rather than meter type (Smart or Legacy, LSP or SSP).

Observing that Smart meters should easily provide reads and Legacy meters may not, SM believed these to be fundamentally different - for Smart the cost or effort of acquiring a meter read is significantly lower, particularly as the site would need to be accessed for the Smart meter to be installed. MJa believed the risk to be to accurate allocation rather than to getting reads by customer types. SM believed the duration of risk was also relevant, the preference to be as accurate as possible. Smart meter reads should be easier to deliver. MJa noted parties (Suppliers) were already limited in the ability to back bill. GE suggested the target for Smart meters should be 100% reads. MJa observed that settlement and customer billing were either ends of an equation.

Quantification of risk to settlement was considered. MJ referred to the recent assessment of current meter reading performance in the context of the Nexus processes (carried out by Engage for the Performance Assurance Workgroup), noting that the report's conclusion considered it to be a small risk. It was acknowledged that a number of factors could effectively limit read submission rates, including 'hard to access' sites (e.g. vacant sites; unmanned sites; customer absent; self-serve customer does not submit their own reading; meter blocked, etc), and 'unsafe' sites (e.g. threatening behaviour by customer; no floorboards, hazardous materials). Shippers use reasonable endeavours to take appropriate action, but how can reads be obtained for these 'difficult' sites/customers?

SM still believed that a proper context was required around sites where reads had not been able to be obtained, so that the reason for failure was better understood. Evidence relating to any previous attempts should be shared so that all aspects could be considered, before time and effort may be wasted on a further abortive visit. Central systems do not currently take account of/log these efforts. Targeting of performance should be based on sites that add value.

A graph was presented (a forward projection) illustrating current industry read submission performance, based on Xoserve data.

It was suggested this may be problematic to achieve in the Nexus world, as there may be far more validation failures to begin with due to the establishing of new processes and systems. CB was encouraged to see better figures than she had originally expected, but had concerns there were a number of uncertain factors to affect the position following Nexus implementation, and was also concerned about setting hard and fast targets - there may not be one solution to fit all going forward. AL suggested that the materiality of each banding/level of performance perhaps needed more clarity. CW observed there was an argument that cyclic read performance should not be reviewed until after Nexus implementation. CB pointed out that performance is not necessarily an indication of parties *not* doing anything. MJ did not believe that Modification 0570 was appropriate as currently written.

CW summarised there seemed to be a view that it may be best to wait and see until the landscape post Nexus has settled down, that one solution may not be appropriate for all different Shippers, different problems, different approaches), and that other factors (such as Shippers' previous site visit experiences) needed to be taken into account before doing a Must Read. He then questioned how this measured up against the CMA's expectations and Modification 0570. AL believed that a 'soft landing' could be considered, depending on the materiality of the concerns what Nexus might bring; in her view there were still a number of issues to address.

SM commented that obtaining reads has always been an issue, but it was better to wait and understand the 'new world', and that Smart and Legacy meters ought to be considered separately because of the different abilities to acquire the reads. Information/context of why reads have not been able to be achieved would be very useful to understand.

CW then asked when should cyclic reads be updated; he would be concerned if the target were to be left at 70% when the real activity is nearer 90/95%. BF observed it was open to CW to raise a modification, or the views of the Workgroup on this point could simply just be included in the report and Modification 0570 could progress the detail.

CB asked was there any view of the value of energy at risk? How much disappears at the 'line in the sand'? GE referred to the AUG work; there was no evidence to support over/under estimate - there was generally a balancing effect, rather than a systematic bias to over or under. MJo commented that if a meter was not read every year there would be an inaccurate AQ value, potentially 2 years out of every 3.

SM reiterated that the new technology should be considered to be different to the legacy technology. MJo questioned whether the CMA's concerns centred on customer billing or settlement; this may be different to what is being considered. HC pointed out that the validation rules were known; SM added why would a party send in reads if it knows the data will fail.

Noting these discussions, CW believed that this part of the report (cyclic read performance) could be concluded setting out the views expressed.

BF summarised that there appeared to be a potential additional modification as proposed by British Gas; Modification 0570 was already raised, and AL will consider amendments as appropriate in view of these discussions.

BF clarified the process relating to the Request Group and its output (the UNC Modification Panel's expectations). Any draft modifications will be required as soon as possible in order to attach to the Workgroup's Report for submission in March. Modification 0570 will not be attached to this Report, but will be progressed separately as it was raised separately.

CW affirmed that he had not identified a cyclic read modification, but that potentially British Gas may have, given these discussions, which could be an alternative to Modification 0570. BF clarified that the UNC Modification Panel may therefore need to be requested at its next meeting to formally direct Modification 0570 to Workgroup so that any identified alternative proposal can be raised; an interim report may need to be submitted to the February UNC Modification Panel to effect its release. MJa advised that an alternative would remain under contemplation (not raised) until such time as he had had sight of, and been able to consider, any formal amendments that AL might make to Modification 0570.

3.0 Current Read Performance

Not discussed.

4.0 Must Read Process

Responding to Action 1202, AC gave a short presentation outlining a proposed approach (that may be followed by National Grid Distribution) and setting out a high level process and timeline. The notice periods were explained in more detail. Must reads will be scheduled to be completed prior to Code Cut Off Date, rather than at the 2 year point - this would smooth the workload out over the year.

CW explained the approach would not require a change to UNC as Transporters already had the ability to under Must Reads for all categories of meter points. However, it had previously not elected to do so and focused primarily on larger meter points.

The proposition was discussed. It was confirmed that the approach needed to be worked up with Xoserve. Notification to Shippers would either be by email or CMS (to be clarified by Xoserve).

Action 0102: Annual Must Reads Transporter trial exercise - Xoserve to clarify notification route to Shippers (e.g. email, CMS, etc).

SM questioned what would the Transporter do differently to a Shipper in order to obtain reads. Would it be using its greater powers of entry? CW could not confirm until it was known what could be found or used. CB pointed out that Shippers would be concerned that it might be a pointless exercise because unless a Transporter was doing anything different to what a Shipper might do/had done, it was highly likely the Transporter would make the visit, get the same response as the Shipper, and then the 'must read' would attract an unnecessary cost for no purpose as it would be predictable that there was unlikely to be any resolution to the 'difficulty' in obtaining the read. Shippers would be very happy if Transporters were able to exercise their greater powers (something more than Shippers can currently do) and so achieve the required read.

CW indicated that a Transporter could not commit to exercising greater powers at the present time; it was a Must Read exercise that National Grid Distribution would do and this seems a sensible time to do it. Any information gathered would be provided to the Shipper. Shippers however preferred to have a resolving action to fix the 'no read' problem as well as any additional information, in order to see any benefit in their paying the Transporter to obtain a read. If the Transporter also failed to obtain a read there was no perceived benefit to either side. A collaborative approach would be preferred to help resolve these 'difficult' sites. KS suggested that if the Transporter was successful in gaining access to a 'difficult' site then it should record exactly how it achieved that/what was done, etc, so that this information can be used for future visits either by Shipper or Transporter.

MJa added that the Data Cleansing Group was looking at updating some of the 26,000 reads - some solutions were being investigated. HC said that Xoserve would liaise with this group.

BF asked if other Transporters were going to take part in the trial? CW confirmed that National Grid Distribution were proposing to undertake the trial initially, however he would reflect on the views expressed in these discussions before commencing the trial.

5.0 Performance targets

5.1. Legacy meters

Not discussed.

5.2. Smart meters

Not discussed.

6.0 Consideration of Modification 0570 - Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum

Covered under discussions at 2.0, above. AL is to consider appropriate amendments following these discussions.

7.0 Review of Outstanding Actions

1201: *Annual Meter Read Performance* - Xoserve to identify the range of the market performers (LSPs and SSPs) and provide anonymised details of the spread, including any outliers, for review.

Update: See 2.0, above. **Closed**

1202: *Annual Must Reads Transporter trial exercise* - CW to develop a plan/approach to initiate 'must reads' from 30/09/2012 backwards (for eligible Supply Meters within National Grid Distribution networks).

Update: See 4.0, above. **Closed**

8.0 Next Steps

BF summarised the next steps. It was anticipated the Workgroup would:

- *Review the output from Actions 0101 and 0102, with a view to making a final assessment of any identified requirements;*
- *Consider Modification 0570 (if not formally released by February Panel to its own Workgroup);*
- *Consider any alternative solutions; and*
- *Consider/finalise the Workgroup Report.*

All meeting papers should be provided to the Joint Office at least 5 days in advance of each meeting so that intending participants have sufficient opportunity to review. For the next meeting papers should be provided by 17 February 2016.

9.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
Thursday 25 February 2016	Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR	<ul style="list-style-type: none"> Review the output from Actions 0101 and 0102, with a view to making a final assessment of any identified requirements Consider Modification 0570 (if not formally released by February Panel to its own Workgroup) Consider any alternative solutions Consider/finalise the Workgroup Report.

Action Table (28 January 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1201	22/12/15	2.0	<i>Annual Meter Read Performance</i> - Xoserve to identify the range of the market performers (LSPs and SSPs) and provide anonymised details of the spread, including any outliers, for review.	Xoserve (HC)	Closed
1202	22/12/15	4.0	<i>Annual Must Reads Transporter trial exercise</i> - CW to develop a plan/approach to initiate 'must reads' from 30/09/2012 backwards (for eligible Supply Meters within National Grid Distribution networks).	National Grid Distribution (CW)	Closed
0101	28/01/16	2.0	<i>Annual Read MPRNs</i> - Xoserve to provide a formula to clarify how the figures had been derived.	Xoserve (HC/RH)	Pending
0102	28/01/16	4.0	<i>Annual Must Reads Transporter trial exercise</i> -	Xoserve	Pending

Action Table (28 January 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			Xoserve to clarify notification route to Shippers (e.g. email, CMS, etc).	(HC/RH)	