

**UNC Workgroup 0575R Minutes  
Consider the Performance Assurance Reporting Requirements  
for Transporters**

**Tuesday 07 June 2016**

**at Consort House, 6 Homer Road, Solihull, B91 3QQ**

**Attendees**

Angela Love*	(AL)	Scottish Power
Bethan Winter	(BW)	Wales & West Utilities
Bob Fletcher (Chair)	(RF)	Joint Office
Colette Baldwin	(CB)	E.ON UK
David Mitchell	(DM)	Scotia Gas Networks
Edd Hunter*	(EH)	RWE npower
Eddie Blackburn*	(EB)	National Grid NTS
John Peters	(JP)	Engage Consulting
Karen Visgarda (Secretary)	(KV)	Joint Office
Naomi Anderson	(NA)	Engage Consulting
Stuart Gibbons	(SG)	National Grid Distribution

\* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0575/070616>

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 December 2016.

**1.0 Introduction and Status Review**

**1.1 Approval of Minutes (15 April 2016)**

The minutes of the previous meeting were approved.

**2.0 Workgroup Discussion**

**2.1 Engage Presentation on assessed risks**

NA provided the background to the 'Performance Assurance an Independent Study' presentation, explaining Engage Consulting had been asked by Ofgem in discussion with the Performance Assurance Workgroup to undertake a review of the risks that might affect fair and accurate settlement following the Nexus implementation. NA overviewed the 3 Deliverable criteria which were:-

Deliverable 1. - Report identifying settlement risks

Deliverable 2. - Dynamic model to quantify settlement performance risks

Deliverable 3. - Report quantifying settlements performance risks

In relation to offtake metering, DM asked what this data was based on? NA explained that it was based on probabilities and meter errors over a set period of time, which on average, were around 297 days old by the time they were discovered. She said this criteria had been previously agreed by Ofgem and the Performance Assurance Workgroup. NA also explained the data used, was for the period from 2008 to September 2013. NA then overviewed in detail the 3 Deliverables, with the main focus on the schematic in Deliverable 3.

An in-depth discussion then ensued regarding the conclusions and the results of the data and how this data was analysed. JP explained the approach that had been adopted, where risks might exist in relation to offtake meters, which could happen over a year. He said this was the data that had been assessed and used with the statistical techniques to work out the '1 in 20' scenarios in relation to risk – the likely worst year for meter errors.

AL said this work had been undertaken to try to gain some clarity and understanding of what the Transporters were actually doing in the area of meter errors. She also said that Scotia Gas Networks had shared data information with her during a face to face meeting, which contained interesting data and to a degree was reassuring, which she requested be shared with this group. DM advised that Scotia Gas Networks were not authorising the release of this information, as it was very specific based on the issues discussed and the audience at that time.

Further debate took place and DM, BW and SG all stated that all the errors were being managed in the correct manner based on current standards and processes. DM proposed that if data post 2013 had been used for this analysis, it could look very different, as the type of offtake meter was changing in Scotia Gas Networks with a number of orifice plate meters being replaced by ultrasonic meters. CB said that measuring risk could only be based on historic data and performance over an average length of time and that in real terms, the 297 days was too long for an error to be undetected.

SG said that the validation process were regularly undertaken and the programme is usually published on the Joint Office website. CB said that still not show when that error started or whether that specific meter was operating in the correct manner. BF said in some circumstances, the error could be categorised as minor but due to the time taken to detect the problem the associated cost impacts could be material.

JP then explained Engage Consulting had looked at and calculated the 'Value of Risk' (VAR) looking at it from the Financial model perspective, adopting the same '1 in 20' scenarios, from a financial measure of risk aspect, and not from an on-going actual impact or cost justification angle.

General discussion moved on Deliverable 3, overviewed in the schematic, with focus on Ranking 4, LDZ Allocation Error – Corrected. JP said taking the VAR model for the LDZ it was an indicative number and was based on an average and realistic LDZ variable risk. BW asked if the model assumed all the errors were the same and not netted off for where meters may over or under record. JP confirmed information had been input into the model based on the errors published. BW confirmed Wales & West Utilities had replaced their orifice plate meters with ultrasonic meters. NA said that half the population still appear to have orifice plates. BW advised that she would review the information provided to the Joint Office and confirm which meters had been replaced, so that the meter errors table reflects the actual population of offtake meters.

JP said it may be possible to rework the model, and he would be happy to re-run it with the new numbers, however, any other work would have to be discussed and paid for accordingly. AL confirmed that Engage were not attending the meeting to take any actions or to be tasked with any further analysis work at this stage, unless other parties wished to instruct and pay them to do so.

BW asked if the model could be re-run and split the orifice plate and ultrasonic data? JP said it was not possible to run a two stage process of data analysis and that the model would have to be adapted for that to be achieved. AL said Engage had done a theoretical investigation and once the Performance Assurance Committee was established then further investigations could take place, and AL also wanted a link to be supplied for the now closed Performance Assurance information that was still on the Joint Office Website. The website link is as follows to the Performance Assurance Workgroup  
<http://www.gasgovernance.co.uk/pa>

NA then overviewed the Offtake Meter Errors slide and moved on to the summary statistics, explaining they had been split into two categories, as detailed below:-

#### **LDZ Offtake Errors which have been corrected**

- Average number of meters per LDZ– 14
- Average days per error 297
- 1 in 20 worst case 3 errors on any given day 290,342 kWh per day error

#### **LDZ Offtake Errors which have not been identified**

- Probability of an error being detected – 90%
- 1 in 20 worst case 1 errors on any given day 96,781 kWh per day error

Further general discussion took place on the reconciliation percentage figure by .1% and BW asked what the results would be if the reconciliation percentage was 1.1% in a '1 in 20' year. JP explained the data had been analysed based on the current tolerances, as if this was expanded still further, then more faults and errors would be present. BW said she wanted to investigate this area and requested a non PDF version of the data. DM also said he would check the data that was currently listed on the Joint Office Website to make sure it was up to date. The Workgroup agreed this action should also apply to Northern Gas Networks too.

**0601: GDNs to confirm the data held in the Meter Errors Reporting spreadsheet is updated to reflect the actual meters types currently installed at offtakes.**

## **2.2 Network Overview of 'Regime of Works'**

DM said in relation to Action 0402, Scotia Gas Networks were happy to provide a high-level overview of the audit work and regarding the offtake incentives for RIIO, these had already been given to Ofgem and so could be assessed through the normal channels.

DM said in relation to the slides and information that was shared with AL during her visit to Scotia Gas Networks, this would not be shared, as this information was used solely for the purpose of that specific meeting. BF asked if a 'Clean Version' of that information could be shared. DM said the exact information would not be shared to a wider audience, and he again asked what was the exact objective of this piece of work that had been requested. AL said that transparency and clarity was required in relation to the steps undertaken by GDNs to avoid meter errors, and that she had originally been comforted by the information that had been presented to her during her Scotia Gas Networks visit, but now she felt something was trying to be hidden. CB also commented, that it seemed strange that information had been shared with one Shipper, but was not going to be shared further with a wider Shipper audience.

A lengthy general discussion then ensued surrounding this matter and the reluctance of the Transporters to share this type of data. BW explained this was her first meeting and she wanted to understand what AL wanted specifically. AL again reiterated her need for clarification and transparency of meter maintenance and validation process. BW said that Wales & West Utilities had a metric of performance every year as part of RIIO, regarding individual meter errors and that these were published on the Ofgem website. AL said she wanted more information in relation to what the Transporters activity was, above and beyond, the data that was published on both the Ofgem and Joint Office Websites.

General discussion then took place surrounding what information could be shared by the Networks. DM, SG and BW all agreed to supply some further detail as to what areas were being addressed and what was under development, with the understanding a large proportion of this information would be caveated. Further discussion took place in relation to the orifice plates being replaced by ultrasonic and the possible impact that might have on performance regarding errors.

SG confirmed that National Grid was not intending to undertake a wholesale replacement of orifice plate meters as they had reviewed their operating procedures and did not think there was justification to do so.

BF proposed that the Networks provide an overview of their maintenance and validation regimes for the next meeting

**Action 0602: All Networks to provide information on their respective offtake meter maintenance and validation regimes.**

### 2.3 Consideration of review Topics

None discussed.

### 3.0 Review of outstanding actions

**Action 0401:** ScottishPower (AL) to invite Engage to present at the next meeting on 07 June 2016.

**Update:** AL said this action could now be closed as Engage Consulting had now presented their findings to the Workgroup. **Closed.**

**Action 0402:** Scotia Gas Networks (DM) to investigate what information can be provided and shared from Scotia Gas Networks to a wider audience.

**Update:** DM said an update had been supplied (See Point 2.2 above, for the overview of this action) It was then agreed this action could then be closed. **Closed.**

### 4.0 Next Steps

BF proposed the information requested via the new actions would be considered at the next meeting on 05 July 2016, when further discussion would take place regarding the next steps.

#### **Post Meeting Note:**

BW provided a link to a report published on the Ofgem website which includes meter error performance reporting. Page 19, shows a summary of our measure with the Meter Error deliverable forming part of the reliability measure on operational performance in table 3.2:

[https://www.ofgem.gov.uk/system/files/docs/2016/03/riio-gd1\\_annual\\_report\\_2014-15\\_final.pdf](https://www.ofgem.gov.uk/system/files/docs/2016/03/riio-gd1_annual_report_2014-15_final.pdf)

### 5.0 Any Other Business

BW wanted to bring to the attention of the Workgroup the newly raised Request 0588R – ‘Review UNC arrangements relating to the connection to and operation of gas fired generation on DN networks’. It was proposed to undertake a review of the potential impacts on DN storage due to peak time generation and to consider the most efficient way to manage the network.

## 6.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
Tuesday 05 July 2016	Elexon, 350 Euston Road, London, NW1 3AW	<ul style="list-style-type: none"> <li>Evaluation and discussion of the Orifice and Ultrasonic meter performance information</li> <li>Further development of the Workgroup Report</li> </ul>
Tuesday 02 August 2016	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull, B91 3QQ	To be confirmed
Tuesday 06 September 2016	Elexon, 350 Euston Road, London, NW1 3AW	To be confirmed

**Action Table (07 June 2016)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	15/04/16	2.2	ScottishPower (AL) to invite Engage to present at the next meeting on 07 June 2016.	ScottishPower(AL)	<b>Closed</b>
0402	15/04/16	2.3	Scotia Gas Networks (DM) to investigate what information can be provided and shared from Scotia Gas Networks to a wider audience.	Scotia Gas Networks (DM)	<b>Closed</b>
<b>0601</b>	07/06/16	2.1	GDNs to confirm the data held in the Meter Errors Reporting spreadsheet is updated to reflect the actual meters types currently installed at offtakes.	GDN's	<b>Pending</b>
<b>0602</b>	07/06/16	2.2	All Networks to provide	All Networks	<b>Pending</b>

**Action Table (07 June 2016)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			information on their respective offtake meter maintenance and validation regimes.		