

UNC Distribution Workgroup Minutes

Friday 05 January 2018

at Energy UK, Charles House 5-11 Regent Street, London SW1Y 4LR

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Kully Jones (Secretary)	(HB)	Joint Office
Andrew Margan	(AM)	Centrica
Andy Clasper	(AC)	Cadent
Chris Warner	(Cwa)	Cadent
Claire Towler	(CT)	SSE
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Debbie Brace	(DB)	National Grid NTS
Fiona Cottam	(FC)	Xoserve (Item 6 only)
Gareth Evans	(GE)	WatersWye
Jeremy Guard	(JG)	First Utility
John Welch*	(JW)	npower
Kirsty Dudley*	(KD)	(E.ON)
Lorna Lewin	(LL)	Orsted
Mark Jones	(MJ)	SSE
Nicky Rozier*	(NR)	BUUK
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy	(RP)	Wales and West Utilities
Roger Somoo	(RS)	Utility Warehouse
Rowan Hazell*	(RH)	Cornwall Insight
Sean Hayward	(SH)	Ofgem
Shardul Pandit*	(SP)	Wales and West Utilities
Steve Mulinganie*	(SM)	Gazprom
Tahera Choudhury*	(TC)	Xoserve (0640 and 0641 only)

*via teleconference

Copies of all papers are available at <https://www.gasgovernance.co.uk/dist/050118>.

1. Introduction and Status Review

1.1. Approval of Minutes (23 November 2017)

The minutes from the previous meeting were accepted.

1.2. Modification(s) with Ofgem

None

1.3. Pre-Modification discussion

1.3.1. Amendments to the Performance Assurance Reports Register

RH introduced this item confirming the purpose of this modification was to clarify amendment discussed and approved at PAC for the production of the Performance Assurance Report register (PARR) as defined in UNC Modification 0520A, by the CDSP.

The key changes were in relation to Section 5 'Solution':

2A.1 - the exclusion of Class change and Shipper change from the report

2A.3 - clarification of the data inputs - attempted meter installations, submission of meter reads, any meter reads, or inspection visits and connections and disconnection transitions will be included.

2A.5 - the report can now reflect how many reads have been accepted across all classes.

EUC Bands - recommendation is to use AQ Bands because the inclusion of EUC bands will reduce the report performance due to the enhanced size of the reports.

The Workgroup recommended that the modification should be submitted and that Panel should be requested to issue the modification to consultation.

2. Workgroups

The following Workgroup meetings took place:

- 2.1. **0619 - Application of proportionate ratchet charges to daily read sites;**
0619A – Protection from ratchet charges for daily read customers with an AQ of 732,000kWh and below; and
0619B – Application of proportionate ratchet charges to daily read sites
(Report to Panel 18 January 2018)
<https://www.gasgovernance.co.uk/0619>
- 2.2. **0632S – Shipper asset details reconciliation**
(Report to Panel 15 March 2018)
<https://www.gasgovernance.co.uk/0632>
- 2.3. **0635 – Reforms to incentivise accurate and timely DM reads to improve the accuracy of Unidentified Gas allocation**
(Report to Panel 19 April 2018)
<https://www.gasgovernance.co.uk/0635>
- 2.4. **0640S - Provision of access to Domestic Consumer data for Suppliers**
(Report to Panel 15 February 2018)
<https://www.gasgovernance.co.uk/0640>
- 2.5. **0641S - Amendments to Modification 0431 - Shipper/Transporter - Meter Point Portfolio Reconciliation rules and obligations**
(Report to Panel 15 February 2018)
<https://www.gasgovernance.co.uk/0641>

3. Topic – Revised estimation process for DM sites with D-7 zero consumption

3.1. Consider whether the implementation of the solution should be an enduring or transitional arrangement

DA asked for the Action 1102 to be carried forward to the next meeting as Xoserve had not been able to provide the analysis in time for the meeting. BF reiterated the importance of the analysis as information is needed to inform the Workgroup Report and any recommendations to Panel.

3.2. Consider whether the solution and legal text interpretation is consistent

DA confirmed that there technically the solution implemented is not consistent with the legal text. This is because the legal text requires UKLink to be updated with revised consumption data before the Shipper is notified. In practice, Xoserve are notifying the Shipper as soon as they identified consumption data in order to be more engaging and efficient. This allows the

Shipper to react before an update is loaded in UKLink.

BF suggested that a report is needed on what has actually been happening and what reads have been impacted. In summary, there are some inconsistencies in relation to the solution such that implementation is not in line with the legal text. This could lead to a Workgroup recommendation to Panel and/or it could lead to a new modification which removes or amends the current obligations implemented by UNC Modification 0634 (Urgent).

4. Issues

CW reported back from the first meeting of Workgroup UNC Modification 0630R *Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme*. He highlighted the importance of Shipper participation and reminded the Workgroup that the next meeting is on 26 January 2018.

5. Outstanding Action(s)

1101: UNC0625 - Xoserve to communicate with Shippers what the timescales, obligations and leads times are for moving sites which do not qualify to be Class 1 and provide a report on impacted sites.

Update: This item was deferred to the next meeting. **Carried Forward**

1102: Xoserve to provide statistical analysis for DM sites with D-7 zero consumption (UNC0634 (urgent))

Update: DA asked for this action to be carried forward. **Carried Forward**

6. Any Other Business

6.1. Amendment to the AUGE framework document

RP reported that he had proposed some amendments to the AUGE framework document at the December UNCC meeting and that the committee had suggested the amendments be discussed at the Distribution Workgroup. BF stated that there is no specific AUGE related sub-committee and that the UNCC have the ability to approve changes but they considered a wider debate would be helpful before making any changes.

RP clarified that the key change proposed is in relation to Shrinkage within paragraph 5.1.2:

“Although UIG includes LDZ Shrinkage, the AUG Expert acknowledges that the process for determining LDZ Shrinkage is laid out in the relevant DNO licences. To avoid dual governance of LDZ Shrinkage, the AUG Expert’s role in respect of LDZ Shrinkage is therefore limited to confirming that there are controls in place to ensure that DNOs discharge their licence obligation (that is that there is methodology and that it is periodically reviewed for confirmation that the methodology remains relevant). Any comments by the AUG Expert on the shrinkage model should be made through the annual consultation carried out by the DNOs.

He stated that in 2015 AUGE investigations into unidentified gas (UIG) did not consider shrinkage but in 2016 Shrinkage had been highlighted. He raised the issue of dual-governance given that the Shrinkage Forum exists to discuss LDZ shrinkage issues. He also wanted to clarify the role of the AUGE in respect of reviewing Shrinkage and wanted to check if there were other processes in place to do this.

The following points were made in discussion:

- a. AM in response reported that the AUGE have undertaken annual assessments in previous years and have concluded that Shrinkage is zero due to the licence requirements in place for Transporters. However, last year it was reported that Shrinkage was understated by 20 per cent in a report published by Imperial College.

This statement was subsequently revised to say that Shrinkage was higher than stated by Transporters due to model error. He explained that the contract with AUGE is funded by Shippers and raised a concern that Transporters could potentially cut across this work and prevent the independent body from discharging its role as specified in the contract. He therefore, strongly disagreed with the changes being proposed.

- b. RP raised concerns about dual-governance. The process to review the Shrinkage Model lies with the Shrinkage Forum but only 2 responses were received to the last consultation. In response, AM raised concern that Centrica did not provide a response as the consultation was limited to the topics allowed to be considered and suggested that a more open and transparent process was needed. He suggested that the AUGE process should be based on the UNC contract and suggested that a new modification might be needed to clarify the relationship between the UNC and framework document.
- c. MJ also raised concerns in relation to the Shrinkage Model as there is no mechanism to challenge the assumptions underlying the model only to challenge the figures it produced.
- d. BF reiterated that the proposal is an amendment to the AUGE Framework document and that the UNCC could seek views on the document through a more formal consultation if required but ultimately the decision on any changes would be through a vote at the UNCC meeting. He enquired if RP should be asked to undertake an assessment of the legal text against the AUGE Framework document. In response to a question about materiality from AM, BF confirmed that this is a UNCC issue as AUGE is not managed by UNC Panel or dedicated subcommittee.
- e. LL asked how this fits with the wider review under UNC Request 0639R *Review of AUGE Framework and Arrangements*. FC expressed concern that if this was included in the wider review the AUGE has deliverable which is a methodology document to assess shrinkage error by the end of January might be impacted. She also stated that a) significant feedback from industry (October 2017) suggested that the shrinkage should not be covered within the scope of UNC 0639R and b) that shrinkage is not regarded as a source of UIG (paragraph 9.4.1a) within the UNC Code document.

BF summarised to conclude that there was a lack of consensus on the proposed changes and that RP to decide how to proceed and whether he will re-submit to the next UNCC meeting.

7. 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
10:30 Thursday 25 January 2018	Lansdowne Gate 65 New Road Solihull B91 3DL	Standard Agenda items
10:30 Thursday 22 February 2018	Elexon, 350 Euston Road, London, NWE1 3AW	Standard Agenda items
10:30 Thursday 22 March 2018	Solihull venue to be confirmed	Standard Agenda items

Action Table (as at 05 January 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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Action Table (as at 05 January 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	23/11/17	1.3.1	UNC0625 - Xoserve to communicate with Shippers what the timescales, obligations and leads times are for moving sites which do not qualify to be Class 1 and provide a report on impacted sites.	Xoserve (DA)	Carried Forward
1102	23/11/17	3.1.1	Xoserve to provide statistical analysis for DM sites with D-7 zero consumption (UNC0634).	Xoserve (DA)	Carried Forward