

**UNC Workgroup 0644 Minutes**  
**Improvements to nomination and reconciliation through the**  
**introduction of new EUC bands and improvements in the CWV**  
**Tuesday 20 March 2018**  
**at The Crowne Plaza Hotel, 61 Homer Road, Solihull, B91 3QD**

**Attendees**

Chris Shanley (Chair)	(CS)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Beverley Viney	(BV)	National Grid NTS
Carl Whitehouse	(CW)	First Utility
Chris Warner	(CWA)	Cadent
Dean Pearson*	(DP)	Northern Gas Networks
Fiona Cottam	(FC)	Xoserve
Fiona Speak	(FS)	npower
George MacGregor*	(GM)	Utilita
Jason Blackmore	(JB)	British Gas
Josh Mallet	(JM)	npower
Katie Fish	(KF)	EDF Energy
Kirsty Dudley*	(KD)	E.ON
Louise Hellyer	(LH)	Total
Luke Reeves*	(LR)	EDF Energy
Mark Jones*	(MJ)	SSE
Mark Palmer	(MPa)	Orsted
Mark Perry	(MPe)	Xoserve
Mark Rixon*	(MR)	ENGIE
Sallyann Blackett	(SB)	E.ON
Tom Steward*	(TS)	Good Energy

\* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0644/200318>

The Workgroup / Final Modification Report is due to be presented at the UNC Modification Panel by 17 May 2018.

**1.0 Introduction and Status Review****1.1 Approval of Minutes (15 January 2018)**

The minutes were approved.

**2.0 Consideration of Business Rules**

SB provided a brief presentation in relation to the Business Rules for the three aspects of the Modification, as defined below:

1. Introduction of three End User Categories for what was EUC01B/EUC02B
2. Data Items to be included in the CWV to improve the WCF

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3. Wider parameters for the DAF and/or the WCF where the CWV and the SNCWV are >[1%] tolerance

She explained that due to more urgent Unidentified Gas (UIG) modifications discussions with regards to this specific modification had been delayed until now, and so she provided a short background update and explained that some of the schematics had been provided by Xoserve during the last Demand Estimation Sub-Committee (DESC) meeting in February.

She further explained that the allocation of the energy process within the market was not presently working correctly and was not allocating enough energy, and so the all the EUC's were being reconciled, together with experiencing high levels of UIG. She said that E.ON had looked at 5 ways to amend the process, before making the proposal. She indicated that she wanted changes to be made to the algorithm prior to October this year.

She then overviewed the presentation, highlighting that the Energy allocation could be improved in by the three distinct areas proposed.

SB said that the Xoserve schematics indicated that data supplied as part of RG631 has supported previous analysis that pre-payment customers had flatter profiles than standard residential customers. The analysis also showed that there was large percentage errors for Band 1B over the summer and winter period.

SB then explained that for I&C sites in band 1, old review group 0178 analysis had shown that they had different profiles in summer and winter to domestic sites. Likewise, for large domestic sites in band 2. SB concluded that to minimise reconciliation, they needed a different profile.

A lengthy general discussion then ensued in relation to the data analysis and the information contained with the presentation. The general consensus was that the additional analysis and information provided was useful and helped to support the proposed EUC band change as defined in the modification.

CS asked if Ofgem had responded to the request for support in getting the industry to provide sample data for the new EUC bands. SB confirmed that they had said that this was best done by industry processes and E.ON were considering raising a modification, as a result.

CS also asked if Xoserve had an update on the system changes required and if it would be possible to have these completed by October. FC said that a formal ROM had not yet been produced, but that a high-level impact assessment had already been carried out. It showed that changes would be required to the systems regarding the proposed allocation of the AQ and EUC's, and as such, the soonest these could be incorporated would be via the release 4 and this is due for implementation in June 2019. She added that certain file format changes might also be required regarding the Rolling AQ's and the Reporting Suite.

MPE said that work could be done to shadow the new profiles so that more data (nearly 2 years) would be available. LH asked whether the modelling/sample data collection could also be done at the same time as the normal DESC analysis so that it could be used to measure performance. FC said that would require a lot more work to be undertaken to allow that process to take place.

CS said in that it may be possible to carry out these changes outside the remit of the formal release process and/or the solution could be implemented mid-year. SB asked could the DSC Change Committee make the decision regarding this matter without a formal modification. She added that the Code already allowed for EUC's development and that this should be happening regardless of the modification.

CS said once a formal ROM had been produced then that would put emphasis on the timelines and the possible implementation options would be clearer. SB said due to the fact that UIG was such an issue with massive costs, this was the reason she was pushing for this change to be in place by October 2018, especially as this change was supported by DESC and it did not require a formal Code modification.

BV said that this could be addressed by raising a formal Change Proposal and then submit it to the DSC Change Committee for discussion. There followed some general discussion whether this issue was a Business As Usual (BAU) matter or whether it did require a formal change to the process. FC said she would investigate both areas.

A lengthy general discussion then took place and KD proposed that if the EUC area was split from the rest of the modification, would that enable the change to be implemented by October, as SB was requesting. FC said that it may be a faster route if the work was commenced now and treated as a change to the DESC process. KD then said in that case, she would divorce the EUC band change out of the content of the existing modification and leave the other elements to progress through the standard modification process. She explained that she would raise an XRN to accelerate this change, in the hope that this could be implemented by October or November this year. FC agreed to work with KD to progress a Change Proposal to request the ROM. CS proposed that it would be advisable to keep that Modification as a package for now, and following receipt of the ROM, then investigate whether to split the topic from the other aspects or not.

**New Action 0301: Xoserve (FC) to request a ROM figure for the EUC band changes and gain support if required from E.ON in raising any required documentation.**

A brief discussion took place regarding the EUC 01P and LR asked how many customers were in EUC 01P. FC said regarding the pre payment meters there were 2.7mil pre payment customers in Band 1 and 0.5mil Non Domestic in Band 1, and she added that this had been fully discussed and explained in the DESC February meeting. A discussion was had on the accuracy of the Market Sector Code and LH said that from a data accuracy perspective that any differences would still be picked up by the data reconciliation process.

SB then discussed more in relation to the WCF changes, saying there was the option for further allocation improvements in making changes to the WCF and this was easier to change than the CWV, so it would make sense to push more temperature sensitivity into the WCF. She said E.ON had undertaken sufficient investigations to know that it was a feasible option to explore further. She added at the present time, she had not yet looked in the CWV area in any depth. FC said it may push up the AQ category up until October.

A brief general discussion took place in relation to the weather variables and JB said that data analysis could be undertaken for the recent 0631R AQ data to ascertain the extreme variables for WCF. MPE confirmed that the cleansing of the data for the models would be available at the end of May. He said that Xoserve did have access to unclean data for the Winter period and SB said that would help to give a high-level picture. MPE indicated he could provide the daily AQ data and the NDM sample high-level data. JB also suggested he could investigate the British Gas data and provide thoughts on whether this could be used for the analysis. A general discussion then took place concerning the correlation of WCF and CWV.

It was then suggested that that amending the DAFs should be looked at again as the change could be easier/live from October, as they are in the post October AQ Calc. MPE and SB agreed to work on this area in unison to understand the best option and the data required to conduct any supporting analysis.

**New Action 0302: Xoserve (MPe) and E.ON (SB) to investigate the best option to incorporate further temperature sensitivity into the algorithm (amend WCF or CWV or the DAF's) and evaluate the data available to support any analysis required.**

### 3.0 Development of Workgroup Report

CSh explained that this modification had been previously mentioned in the specific UIG meetings and also in the Demand Estimation Sub-Committee (DESC) meeting in February, and that this modification had not followed the formal timeline, owing to more pressing UIG modifications and that E.ON the Proposer had agreed for it to be delayed until now.

He said the Workgroup Report would continue to be developed further and more detail would be added following the production of the ROM and clarity on the weather/temperature related proposals. He explained the Workgroup Report would continue to be developed in the following meeting.

### 4.0 Next Steps

CSh said that his aspirations for the next meeting would be review and the discuss the ROM for the EUC band changes and further explore the Temperature sensitivity aspects of the algorithm.

### 5.0 Any Other Business

None.

### 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
10:00 Tuesday 01 May 2018	<i>Venue to be confirmed</i>	Detail planned agenda items. <ul style="list-style-type: none"> <li>Review of the ROM for the EUC band changes</li> <li>Review of the temperature sensitivity of the Algorithm</li> </ul>

**Action Table (as at 20 March 2018)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0301	20/03/18	2.0	Xoserve (FC) to request a ROM figure for the EUC band changes and gain support if required from E.ON in raising any required documentation.		Pending
0302	20/03/18	2.0	Xoserve (MPe) and E.ON (SB) to investigate the best option to incorporate further temperature sensitivity into the algorithm (amend WCF or CWV or the DAF's) and evaluate the data available to support any		Pending

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**Action Table (as at 20 March 2018)**

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			analysis required.		