

**UNC Workgroup 0851R Minutes
Extending the Annually Read PC4 Supply Meter Point (SMP) read
submission window**

Thursday 23 November 2023

via Microsoft Teams

Attendees

Rebecca Hailes (Chair)	(RHa)	Joint Office
Ben Mulcahy (Secretary)	(BM)	Joint Office
David Morley (Proposer)	(DMo)	Ovo
Alison Wiggett	(AW)	Corona Energy
Andy Clasper	(AC)	Cadent
Anne Jackson	(AJ)	PAFA/Gemserv
Charlotte Gilbert	(CG)	BU-UK
Colin Wainwright	(CW)	SGN
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	CDSP (Xoserve)
Edward Allard	(EA)	Cadent
Fiona Cottam	(FC)	CDSP (Xoserve)
James Lomax	(JL)	Cornwall Insight
Josie Lewis	(JLe)	CDSP (Xoserve)
Kathryn Adeseye	(KA)	CDSP (Xoserve)
Kevin Clark	(KC)	Utilita
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Lee Greenwood	(LG)	British Gas
Marina Papathoma	(MP)	Wales & West Utilities
Mark Jones	(MJ)	SSE Energy Supply
Martin Attwood	(MA)	CDSP (Xoserve)
Nick King	(NK)	Barrow Shipping
Paul O'Toole	(PO)	Northern Gas Networks
Richard Pomroy	(RP)	Wales & West Utilities
Slama Akhtar	(SA)	Northern Gas Networks
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	Northern Gas Networks

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0851/261023>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 July 2024

1.0 Outline of Request

Rebecca Hailes (RHa) invited the Proposer to explain the aim of the Review. David Morley (DMo) accordingly presented a series of slides to the Review Group, a copy of which can be found at <http://www.gasgovernance.co.uk/0851/231123> and as such their content is not replicated here.

DMo advised that the intention was to get more reads into Settlement as this would further the objective of improving settlement accuracy. He explained that for Product Class 4 (PC4) annually read meters, the window for meter read submission for Settlement was set at D+ 25 Supply Point System Business Days (SPSBD), with meter reads provided outside of this time window rejected, thus restricting settlement accuracy. He explained that the main causes for such rejected reads were either being outside of set tolerances or metering issues, such as crossed meters.

Kathryn Adeseye (KA) asked for a clarification of the term 'unaccounted for gas' used on **Slide 1**. DMo commented that he felt Unidentified Gas (UIG) was a very specifically defined term which he wanted to avoid in an endeavour to capture a broader range. Fiona Cottam (FC) advised that there was already a specific 'Unaccounted for Gas' concept that was solely used with the National Transmission Service (NTS), which she did not think would be affected by the subject under consideration in this Review group. DMo acknowledged the feedback and resolved to use the term UIG going forward.

Lee Greenwood (LG) asked if addressing the PC4 Annually read provision criteria would also impact the provision of PC4 Monthly reads. DMo responded that read submissions for monthly read meters were different, and that it was more likely that annually read sites would incur the biggest detriment should a read fail to be submitted. LG acknowledged this, noting that Parties could not submit a read when another read is chronologically due to be submitted.

The Review Group touched upon the read criteria set in UNC under TPD Section M Clause 5.9.2. (a) which defines the valid dates for both monthly and annually read meters and contrasted these with the read criteria set in Clause 5.9.4 (b). LG advised that sites with AQs of 293,000 kWh (10,000 therms) are required to be monthly read but this did not necessarily mean that AMR or Smart metering was in place.

DMo confirmed that one of the proposals to be considered by the Review group was to amend TPD M 5.9.4 (b) to cover both annual and monthly read supplies, adding that as his organisation, Ovo, was predominately domestic his focus was on the annually read supplies but that he was happy to consider monthly supplies in the review if it was thought required.

Possible solutions, DMo suggested, could include extending the current 25 SPSBD window to 60, though this period was just an initial suggestion and he was keen to understand the potential impacts and possible parameters available as scope for changes in this time window. Another alternative detailed in the presentation was to implement a mechanism to enable failed reads to be resubmitted with a reason code. Finally, DMo suggested a third option being a combination of the two, being an extension of the time window to accept reads and the mechanism to enable resubmissions.

DMo added that he anticipated that introducing an extended time window for read acceptance would see a 12% increase in reads accepted on the Ovo portfolio, noting that he understood Ovo was very proactive in seeking to get reads accepted, so the percentage increase could be even higher for other Parties that were not so active.

KA added that the current read volumes seen by the CDSP account for around 8% of the capacity available in the system, and whilst a more detailed impact assessment would be required, she did think it was a fair first impression that there was lots of wriggle room available. DMo asked if there was an understanding of any particularly peaking periods of use, which KA advised would require a detailed impact assessment to ascertain.

Anne Jackson (AJ) commented that the Performance Assurance Committee (PAC) were conscious of the timeliness of the data that they reviewed, so would likely note that longer time windows for read submission could add to such considerations. RHa asked if the proposals up for consideration in this Review Group could thereby exacerbate an existing issue. Steve Mulinganie (SM) suggested that 'exacerbate' was not necessarily the right word, as PAC did not have to wait to see a trend to address a concern, adding that even if an action did prove to create a challenge for PAC, it might nonetheless still be the right thing to do. Louise Hellyer (LH) agreed stating that the PAC requirements could be considered in any Modification that arose from this Review Group.

AJ advised that there was a Performance Assurance Reports Register (PARR) review underway that this Review Group's output could be considered within. DMo asked if PAC considered the requirements of TPD Section M Clause 5.9.4. (a), which Fiona Cottam (FC) confirmed they did not.

SM suggested that if a Modification improved the number of reads accepted into Settlement, it would mean PAC would be working in an improved environment, noting however that an unintended consequence could be Parties moving back their read delivery dates.

AJ noted that the data PAC sees was tied into the calendar month and asked how important the calendar month was, suggesting that it may be more important to see the intervals between the reads, and committed to taking this question back to PAC. She asked if the Review Group intended to explore the issue completely or to explore the Proposer's solutions. DMo confirmed the intention was both, with SM adding that as a Review group, it was within the scope to consider alternate options.

AJ advised that the PAFA was looking at the PARR reports and the timeliness of the reporting but did not think they were yet ready to be able to make suggestions. She committed to seeking PAC views on potential actions and contributions to the Review.

<p>NEW ACTION 0111: PAFA (AJ) to obtain PAC views on possible actions related to this 0851R Review and on what they would wish to contribute.</p>
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DMo noted that historically the window for meter read provision was originally 15 SPSBD which was then later moved to 25 SPSBD and asked if the rationale of the 25-day figure was known and if this would prevent moving to the suggested 60-day period. Ellie Rogers (ER) commented that she did not think there was any system rationale based behind the 25-day figure and believed it was collectively landed on in Nexus. SM asked if it was perhaps the outer tolerance window for rolling AQs.

FC advised that she had looked back through Nexus minutes and found that the submission window was going to be 25 Calendar Days but Xoserve at the time reviewed the volumes and proposed instead 25 Business Days with an understanding that there was an industry desire for flexibility.

DMo asked if there was any rationale behind the figure '25', to which FC responded that the Business Days proposal just provided a larger time window, and highlighted the likely trade-off and diminishing returns between the date the reads were taken and the end of the time window, with considerations such as loss of site, meter exchanges (with reads or estimates if none), and other events increasingly likely to complicate matters the longer the window was.

She added that Meter Exchanges (MEX) do not count towards read performance but would in themselves resolve a settlement position.

SM shared that the perspective that Shippers may hold might be to get meter reads in as soon as possible, with the principle being that you avoid risk by acting quickly, as such the 25 Business Day capacity was set as a system constraint.

FC advised that should a Party hold a meter read until the 25th Business Day they would miss an amendment invoice, as for meter reads to be used in the AQ processes it would need to be in by day 10 or 11. She stated that 25 Business Days was not set because of UK Link restrictions.

SM added that the industry could decide to upscale systems as required, to which FC agreed, stating that it was an industry system so changes can be made under industry direction, and would just require the lead times necessary for any new requirements to be configured. ER agreed, noting that this was the purpose of Rough Orders of Magnitude (ROMs) enabling the industry to decide.

NEW ACTION 0211: Xoserve (FC) to ensure nothing fundamentally tied to the 25 SPSBD window stop.

RHa observed that the question would be more about what changes to CDSP systems would be required and noted that the Presentation mentioned an allowance of 14 months for electricity settlement.

FC asked if the impression this gave her was correct in that within the electricity market Parties could delay submitting a meter read for such a long period. LH added that whilst she understood extending the period to solve problems, it seemed excessive to take 14 months to do so, especially when reads are supposed to be annual, as this would fail other read requirements and muddy the water further.

DMo explained that such long delays in electricity meter read submission are related mainly to read disputes and amendments, with scenarios such as wrong reads. LH asked if this was a window available to change submitted reads rather than to submit a meter read.

DMo explained that within electricity Parties can withdraw reads and amend reads, with a whole process focused on Parties having their settlement reads with incentive mechanisms for each window, differing for domestic or commercial supplies, on top of which targets in NHH reads exist. For example, a requirement to provide 97% of reads, and credits or debits available as an incentive/disincentive if a party achieves/does not achieve this. Parties may also be required to attend discussions with the Retail Energy Code Performance Assurance Board (REC PAB), which was similar to the PAC in its role.

LG voiced that it seemed there were two parts to the considerations, being does the Industry extend the time window for read submission and if so to what? He asked if the CDSP should do some analysis on the reads received outside of the current window and then overlay if they had been accepted due to a longer time window and what it would do to the Line in the Sand position. He added that the Review Group needed to consider that some Shippers may have elected not to submit meter reads they obtained after 25 days anyway, meaning that the CDSP would not have visibility of these in their analysis.

Martin Attwood (MA) asked if this would be meter reads that have been submitted and rejected or for reads that need more work before submission. DMo responded that it would ideally be for both and might also mean Shippers stop holding reads back and enable them back into the Settlement.

MA advised that he had looked at read rejection reasons and had not seen any huge volumes, with the largest constituency being those reads that had breached the submission read frequency by providing too many reads. In comparison, read rejections did not appear to have

large volumes, adding that the CDSP would need to better understand what rejections they were to look at.

FC suggested that maybe the reads were not coming to the CDSP, as if Parties were vetting their reads before they were submitted then the CDSP would not have details of them, noting that they are only seeing tens of thousands of reads each month. DMO confirmed that he was aware that Ovo holds back volumes of reads.

SM observed that the indicated 12% increase in accepted reads figure from the Proposer was a substantial improvement at no cost. He suggested that there was a question that could be asked of other Parties to ascertain if they validate reads and put them aside, noting that if there was a visible value and there is no cost involved, Industry should extend the window anyway, and whilst he did not agree with a 14-month extension, moving from 25 days to 60 days at no cost it seemed an obvious improvement to deliver.

ACTION 0311: (Shippers) To confirm if they hold back meter reads that they anticipate won't meet the valid read criteria.

DMO proposed it was possible to add stepped benchmarks for the benefit of PAC, which they were welcome to feed into. SM noted that PAC needs to benchmark and see if parties are backloading their reads but observed that if Parties did backload meter reads they were taking an increased risk.

LH added that the challenge was to ensure that any new steps improved the situation. SM agreed though observed that Class 4 read performance was currently poor, so adding a potential 12% performance improvement in an area that was challenging had to be a good thing.

ER contributed in response to the earlier discussion as to whether a previous read being added into a read history was of value and thereby justified an exception process to make it possible. She commented that, should the window be stretched to 6 months and there were lots of reads already in place, adding a previous read back in the supply history was of limited value, whereas for a meter where there are few or no reads, then the additional read in question would be of real value.

LH suggested that if the missing reads were an indication of a problem at the meter, which fails again and again the issue would be different.

DMO asked if he was recalling correctly that PAC did a Request For Information (RFI) on the subject recently. AJ confirmed that there was an RFI about PC3 and PC4 meters in which PAC was interested in valid reads potentially being submitted but falling foul of UNC requirements and falling aside, in effect good reads being dumped. She shared that beyond that aspect the issue was not explored, though it was noted. She did not know if there was sufficient information in the RFI responses to assist the Review Group in exploring this, and she would review and feedback on the results. SM advised that PAC had experienced a strong response to the RFI from over 30 parties.

ACTION 0411: PAFA (AJ) to review PAC RFI data and ascertain if there was sufficient detail for Review purposes. If not ask if PAC would issue an RFI on behalf of the Review Group.

RHa asked that if TPD Section M Clause 5.9.4. was to be revisited, was there a case to consider financial incentives for the widened window. SM replied that whilst the Review Group could consider penalising Parties for non-performance it probably did not make the considerations more attractive and was more likely to prove a tangent, especially as there was already a discussion underway in PAC where it is most appropriate. DMO agreed, expressing

concern about the Review Group being slowed and citing Modification 0674V - *Performance Assurance Techniques and Controls* as an example of such considerations taking the industry a very long time to resolve, though he recognised it was positive that the idea had been considered within the Review Group's deliberations.

The Review Group returned to considering potential impacts and what reporting existed to measure such. FC noted that PAC owns the PARR, and thus proposals for changes in reporting granularity and the like would go to the PAC for review rather than the UNC Modification Panel.

ER added that there was a good process within PAC to track PARR impacts, so as long as a request or suggestion is given in a Modification it could be considered, adding that Modifications should not attempt to propose mandatory changes as PAC retains discretion over all PARR processes. DMO acknowledged this, suggesting that this could be phrased as more of a 'for the avoidance of doubt' suggestion that PAC might wish to consider. SM countered that he did not think it necessary to think greatly on the details as this was a Review group and the PAFA on behalf of PAC was in the Review group to provide that input. He suggested that the Review Group Report could include commentary that recommended PAC awareness.

KA felt that more defined BRs were required to understand the impacts on the processes, as any analysis as to why the CDSP was not getting the reads would need an understanding of the volumes they might be seeing, adding that at the moment they could not comment with any certainty. DMO shared that his thought process was more about establishing the existence of any fundamental parameters first.

SM added that it did not matter if appropriate standards were set, all the CDSP would be getting is additional reads. He felt the key questions to be if the current 25-day window limit was linked to anything fundamental at the CDSP, as per Action 0211.

FC shared that the only linkage to TPD Section M Clause 5.9.4 that she could think of was NDM Sampling (UNC TPD H 1.6) used in Demand Estimation Modelling, adding that it was not impacted and there was no facility to change this consideration as the CDSP had to balance the data as being recent. The NDM Sampling Process kick-off is on 10 April and uses the previous 12 months' data to the end of March, with the whole process running on a timeline set out in Code which the CDSP can't delay. She felt it was worth considering but it was not an issue.

The Review Group considered the option of maintaining the 25 SPSBD and introducing a mechanism to allow valid reads to be entered into settlement instead.

ER asked if this effectively limited considerations to certain scenarios rather than just any rejected read, which DMO confirmed, citing meter issues and out of tolerances, suggesting a mechanism similar to the reason codes for AQ corrections already in use.

RHa asked if this would be complimenting something that exists or if it was a new mechanism. ER replied that it would be new, with the only thing anything near the idea currently in existence being the inner tolerance override flag which could be used in the first case, not after a rejection. SM asked why any Party would send in an initial read without the override flag. He argued that if there is no good reason to consider this option then the industry did not need to build an exception process to send reads back in. He proposed that if there was a fundamental link to 25 SPSBD and there proved to be a consequence to moving it then this option could be revisited, but that otherwise, in his opinion, it was an additional layer of governance with no added value.

DMO agreed, deciding to delay consideration until a response from CDSP on **Action 0511**. For the same reason he suggested deferring consideration of Option 3 which was a combination of Options 1 and 2, so would also benefit from the same action response.

RHa noted that the December meeting was before the December UNC Modification Panel and was to take place sooner after this meeting than usual, and as such asked if the CDSP were

comfortable with reporting in a foreshortened timespan. ER replied that they could bring a response as a late paper.

AJ observed that the December DWG was scheduled before the next PAC meeting so she would not be able to feedback on her actions in the December meeting.

RHA concluded that a December Workgroup would have some responses to consider which DMO agreed meant that holding the next meeting in December was worthwhile.

2.0 Next Steps

RHa confirmed the next steps are:

- Review Group to further consider potential Options in December after CDSP feedback on whether the 25-day SPSBD window was tied to anything fundamental.

3.0 Any Other Business

No other business was raised.

4.0 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	Workgroup Programme
10:00 Monday 11 December 2023	5 pm 01 December 2023	Microsoft Teams	<ul style="list-style-type: none"> • Consider options presented in light of CDSP feedback

0851R Workgroup Action Table

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0111	23-Nov-23	1	PAFA (AJ) to obtain PAC views on possible actions related to this Review group and on what they would wish to contribute.	January 24	PAFA (AJ)	Pending
0211	23-Nov-23	1	Xoserve (FC/ER) to ensure nothing is fundamentally tied to the 25 SPSBD window stop	December 23	CDSP (FC/ER)	Pending
0311	23-Nov-23	1	(Shippers) To confirm if they hold back meter reads that they anticipate won't meet the valid read criteria.	December 23	Shippers	Pending
0411	23-Nov-23	1	PAFA (AJ) to review PAC RFI data and ascertain if there was sufficient detail for Review purposes. If not ask if PAC would	January 24	PAFA (AJ)	Pending

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			issue an RFI on behalf of the Review Group.			