

**Uniform Network Code Committee**  
**Minutes of the 76<sup>th</sup> Meeting Held on Monday 16 May 2011**  
**at ENA, 52 Horseferry Road, London**

**Members Present:**

**Transporter Representatives:** C Warner, National Grid Distribution (CWa), J Ferguson, Northern Gas Networks (JF), J Martin, Scotia Gas Networks (JM) and S Trivella, Wales & West Utilities (ST)

**User Representatives:** C Wright, British Gas Trading (CWr), R Fairholme\*, E.ON UK (RF) and S Leedham, EDF Energy (SL)

**Ofgem Representative:** None present

**Customer Representative:** None present

**Joint Office:** T Davis, Chair (TD) and B Fletcher, Secretary (BF)

**Observers Present:** A Miller, Xoserve (AM), A Gordon, GL Noble (AG), G Evans, WatersWye (GE), L Kerr, ScottishPower (LK), S Mulinganie\*, Gazprom (SM) and T Perchard, GL Noble (TP)

**Record of Alternates:** J Martin for A Gibson (Scotia Gas Networks)

**Apologies for Absence:** A Gibson and C Hill

*\* denotes attendance by teleconference.*

**77.3 Matters for the UNC Committee's Attention**

a) Presentation of the Draft Allocation of Unidentified Gas Statement (AUGS)

TP and AG introduced GL Noble and provided a presentation on the progress made to date to develop the draft AUGS. TP confirmed the draft AUGS had been published on the 4 May and this meeting is seeking feedback from the industry. The aim is to complete the work with a final AUGS published by 30 September. Further updates will be published on the Joint Office website.

As part of the presentation, AG provided a detailed update on the draft AUGS and the recent request for information. He explained the components of unidentified gas. He clarified that meter errors would need to demonstrate a long term aggregate bias for this to be a material consideration.

AG gave an overview of the recent UNC modifications, such as 0194 and 0228/0228A. He explained that theft is being used as a balancing factor in the modifications whereas the AUGS considers RbD algorithms would be expected to display modelling errors. Therefore there was a need to identify theft separately from other factors rather than concluding any remaining unallocated gas was necessarily categorised as theft. This would help to ensure the AUGS is representative.

SL asked if the shrinkage model has similar errors, as it had not been updated for some time. AG believed this was likely although he was not aware of the details, and clarified that, with most models, statistical error will even itself out overtime. CWr asked if the report would address shrinkage model errors. AG advised that this is not in scope of the AUGS as it is outside of the RbD process, though the AUGS may include comments on the

shrinkage process if it is considered to be a significant factor.

AG explained the solution to be adopted and the steps to be taken to develop the AUGS. CWa challenged the assumption that all LSP NDM meters are read monthly - some may be annually or longer. He was concerned that the model adopted appears to be that of a perfect world where all meters are read or the readings are available on a regular basis. AG confirmed this assumption is used to develop the model for producing the AUGS and adjustments can be made if necessary.

AG advised that there is a potential impact from Modification 0369 as this will remove an element of the analysis required, as Shipperless over 12 months old will be visited and those found to be still flowing gas identified.

SL asked what analysis is used for a site which has been unregistered or Shipperless for a period of time and is found to be using gas, and why it is assumed it is using gas for 50% of the time. AG advised this is a modelling estimate and that some sites may be using gas for longer, and some a shorter period.

CWa challenged the assumption that only CSEP networks that are missing from records need to be considered. At times there is a shortfall in individual Aqs or individual supply points are missing from records. AM advised that Xoserve do not have detailed data, only an aggregate position for a CSEP. They are lead to believe that iGTs do not allow a site to be connected until it is registered with a Shipper. LK advised that, as a Shipper, they are sometimes unaware of supply points on a CSEP until the consumer approaches them so they may not know all of them – they may be approached by an iGT to supply a group of properties as and when they come on line.

GE agreed that there are likely to be errors, though most of the iGT supply points are SSPs and so may not be a significant concern. AG advised that they would be requesting information from iGTs, though iGTs have no obligation to provide the information requested. LK asked how the iGTs would be contacted? AG advised that this was not yet agreed as they were still developing the methodology. AM considered that it might be necessary for an iGT UNC modification to be raised to obligate iGTs to provide the information.

When considering theft, CWa challenged the assumption that 2 year meter inspections will identify the number of thefts attributable to Shippers. ST advised that those sites where no meter is installed would fall into the shrinkage model assumptions. SL felt it was unlikely that all theft would be identified during inspections, as the visits are pre notified and some parties will rectify the site to remove evidence of theft in advance of the visit. AG felt these would fall into alleged theft and therefore feed into the higher and lower limit calculations based on discovered theft.

ST asked if open bypasses are identified in the report. CWa thought these were considered to be theft. AM advised that, since 2004, Xoserve had not received any formal notifications from Shippers that they had opened a meter bypass. SL felt this was a material issue and should be investigated. AG confirmed that they would be looking at the area but this is limited to the available data and this would be explained in the report.

CWr challenged the view that LDZ meter errors tended to be unbiased and therefore immaterial. ST was not convinced – meter errors change the size of the pot and not what makes up the content of the pot for RbD, and therefore it is not material for the AUGS. AG confirmed that they have still to look at LDZ meter errors in detail, though initial evidence is that they are not creating bias in any particular direction. He advised that SSP meters were not a concern; their main efforts will concentrate on LSP and offtake meters.

GE challenged the assumption that unknown sites are a Shipper responsibility – these should be upstream theft. AM advised that these are sites where Xoserve are requested to create an MPRN by a Shipper - they have no view on the overall loss of gas from the network.

SL asked for the deadline date for responses to the request for information, this was confirmed as 17 June 2011.

SL asked why the TPA analysis is being used to underpin the analysis for AQ. AG confirmed that they would be undertaking their own analysis, though being mindful of the information provided by TPA.

SL asked if the timeline was achievable based on the variables and assumptions within the draft statement – is there a plan B to ensure delivery if assumptions prove to be incorrect. AG confirmed that their intention is to meet the timeline for the AUGS.

CWr asked how any data provided was to be credited and used, will this be in the report. AM advised that anonymity was within the contract to protect parties from being criticised for information they have provided – the information will be available, but not who submitted it.

#### **77.4 Matters of Implementation**

None raised

#### **77.5 Documents for approval**

None provided

#### **77.6 Any Other Business**

None raised

#### **77.7 Next Meeting**

The Committee noted the date and time of the next meeting as:

Thursday 19 May 2011, at the ENA, immediately after the Modification Panel meeting.