

**UNC Workgroup 0664 Minutes**  
**Transfer of Sites with Low Read Submission Performance from**  
**Class 2 and 3 into Class 4**  
**Monday 19 November 2018**  
**at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alexander Mann*	(AM)	Gazprom
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CWWh)	First Utility
Chris Warner	(CW)	Cadent
Dan Fittock	(DF)	Corona Energy
Imran Shah*	(IS)	British Gas
John Welch	(JW)	npower
Kirsty Dudley*	(KD)	E.ON
Leanne Jackson	(LJ)	Xoserve
Lindsay Biginton*	(LB)	Utilita
Lorna Lewin*	(LL)	Orsted
Louise Hellyer	(LH)	Total Gas & Power
Mark Bellman	(MB)	ScottishPower
Mark Jones	(MJ)	SSE
Mark Palmer*	(MP)	Orsted
Mark Rixon*	(MRi)	Engie
Megan Coventry*	(MC)	SSE
Richard Pomroy	(RP)	Wales and West Utilities
Robert Cameron-Higgs	(RCH)	Flow Energy UK
Sallyann Blackett	(SB)	E.ON
Shaheeni Vekaria*	(SV)	Utility Warehouse
Steven Britton*	(SB)	Cornwall
Tracey Saunders	(TS)	Northern Gas Networks

**Apologies**

Emma Smith

*\* via teleconference*

Copies of all papers are available at: [www.gasgovernance.co.uk/0664/191118](http://www.gasgovernance.co.uk/0664/191118)

*The Workgroup Report is due to be presented at the UNC Modification Panel by March 2019.*

**1.0 Introduction and Status Review**

**1.1. Approval of Minutes (31 October 2018)**

**2.0 Amended Modification**

It was confirmed that the November UNC Panel agreed the extension to the Workgroup Reporting date to 21 March 2019.

John Welch (JW) took the workgroup through the amendments made to the Modification.

### **How section**

There has been further clarification made to the How section, as this Modification will be aimed at new entrants to settlement classes 2 and 3, in their first year to make sure they are able to fulfil their obligations.

Chris Warner (CW) suggested to make the wording clear on Shipper performance. Further suggestions were made including to remove the wording 'obligation' relating to CDSP in this section.

### **New obligations**

JW explained the proposal for a new obligation to be created in UNC TPD Section M which will be linked to meter read submission performance. The amendment states that:

This is currently set at 97.5% for Class 2 and 90% for Class 3. In addition to these ongoing meter read submission requirements, it is proposed that a first-year minimum read requirement is also set. If a party fails to meet this minimum read target in class 2 or class 3 for [2] consecutive months, then an obligation is triggered for the Shipper to take immediate steps to improve read performance levels (e.g. improve read submission performance, move poorly performing sites out from its class 2 or 3 portfolio) or move its class 2 or 3 portfolio in its entirety into class 4.

If sites have not been moved into Class 4 [1] months after the trigger point, then an obligation placed on the CDSP would enable them to move the affected sites shippers class 2 or 3 portfolio in its entirety into Class 4.

Workgroup discussion suggested that, Xoserve take a monthly snapshot of the % for class 2 and 3 read performance and then repeat this at the end of 12 months when the obligation falls away.

Richard Pomroy (RP) and CW requested that a timeline is developed and placed in the Modification so that it is easier to visualise the process. JW will progress this.

It was confirmed that the incentive charge would not be enduring and only applicable in the first year as the new participant would be considered the same as existing market participants after this time. Workgroup agreed this needed to be more specific in the Modification.

When asked, JW provided further clarity with regards to the incentive charge and the point at which the incentive is smeared back across the portfolios and if there is a reduction in portfolio. He also explained the AQ levels have been clarified within the amendments to the modification.

The Workgroup agreed that the management of the charges needs to be clear.

JW agreed with Workgroup feedback and advised he will make the necessary amendments and provide further clarification where necessary. He also confirmed he is in discussions with Steve Ladle IGT UNC Code Administrator.

## **3.0 Recommendations**

See section 3 for updates on actions relating to the incentive charge.

## **4.0 Development of Workgroup Report**

The Workgroup Report will be reviewed at the next meeting.

## **5.0 Review of outstanding actions**

**Action 0802:** *Reference Section 5 Solution – Incentive Charge – Ofgem (JD) to look to provide a view on what should be done with any monies generated via a 0664 solution, and whether a ‘neutral’ solution is the only viable option.*

**Update:** JW advised he has not had an update from Ofgem. BF took an action to write to Ofgem to see if they would like to provide a response. **Carried Forward**

**New Action 1101:** *Linked to 0802: Joint Office, BF, will write to Jon Dixon, Ofgem, and ask if he would like to provide a response.*

*Post meeting update: BF has written to Jon Dixon Ofgem asking if he is able to provide an update to Action 0802.*

**Action 1002:** Using latest data for the 2 largest Shippers (920 and 212) FC (Xoserve) to evaluate what the impact is of the Shippers being in Class 3 rather than Class 4 (case study of savings a Shipper may have made by being in the wrong class).

**Update:** Leanne Jackson (LJ) advised there is no update as yet from Fiona Cottam. **Carried Forward**

## 6.0 Next Steps

JW will provide updates to the modification.

The next meeting will be held on 7 December 2018.

## 7.0 Any Other Business

None.

## 8.0 Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10:30 Friday 07 December 2018	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Detail planned agenda items.

**Action Table (as at 19 November 2018)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0802	28/08/18	1.2	<i>Reference Section 5 Solution – Incentive Charge – Ofgem (JD) to look to provide a view on what should be done with any monies generated via a 0664 solution, and whether a ‘neutral’ solution is the only viable option. Linked to Action 1101</i>	Ofgem (JD)	<b>Carried Forward</b>
1002	02/10/18		Using latest data for the 2 largest Shippers (920 and 212) FC (Xoserve) to evaluate what the impact is of the Shippers being in Class 3 rather than Class 4 (case study of savings a Shipper may have made by being in the wrong class).	Xoserve (FC)	<b>Carried Forward</b>
1101	19/11/18	5.0	<i>Linked to Action 0802: Joint Office, BF, will write to Jon Dixon, Ofgem, and ask if he would like to provide a response.</i>	Joint Office (BF)	<b>Pending</b>