

UNC Unidentified Gas Workgroup Minutes

Tuesday 26 February 2019

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andy Clasper	(AC)	Cadent
Alexander Mann*	(AM)	Gazprom
Carl Whitehouse*	(CWh)	first:utility
Chris Warner	(CW)	Cadent
David Mitchell*	(DM)	SGN
Emma Smith	(ES)	Xoserve
Fiona Cottam	(FC)	Xoserve
Imran Shah*	(IS)	British Gas
John Welch	(JW)	npower
Kirsty Dudley*	(KD)	E.ON UK
Leanne Jackson	(LJ)	Xoserve
Lindsay Biginton*	(LB)	Utilita
Lorna Lewin*	(LL)	Orsted
Louise Hellyer	(LH)	Total Gas & Power
Mark Jones*	(MJ)	SSE
Megan Coventry*	(MC)	SSE
Sallyann Blackett	(SB)	E.ON UK
Steve Britton*	(SBr)	Cornwall Energy
Tracey Saunders	(TS)	NGN

*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/uig/260219>

1. Introduction and Status Review

1.1. Approval of Minutes (22 January 2018)

The minutes from the previous meetings were approved.

1.2. Pre-Modification Discussions

None.

2. Workgroups

2.1. 0664 – Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4

(Report to Panel 16 May 2019)

<https://www.gasgovernance.co.uk/0664>

2.2. 0672 – Incentivise Product Class 4 Read Performance

(Report to Panel 18 April 2019)

<https://www.gasgovernance.co.uk/0672>

3. UIG Dashboard Reporting

Consideration deferred.

4. UIG Task Force

4.1. Review of UIG Task Force Recommendations Tracker (LJ)

Recommendations – where we are presentation

Opening discussions, LJ provided a brief explanation of the background to the one page '*Recommendations – where we are*' presentation.

LJ went on to explain that the main aim of the presentation(s) is to look to identify suitable 'sponsors' for the various items, or alternatively agree the most appropriate course of action although care is needed to avoid simply opting for the easy option of closing items off.

LJ then explained that the presentation would be updated following feedback at today's meeting.

UIG Workgroup: UIG Taskforce Recommendations Tracker

The Workgroup undertook a brief debate as to whether or not, this is the correct forum under which to undertake any decisions around progressing the identified items, especially as the Workgroup are NOT able to make any formal decisions. Whilst concerns remained, it was recognised that due governance could be achieved by undertaking any necessary decisions at an appropriate DSC or UNC Committee or through Panel should a Modification be required. It was agreed that the Workgroup should look to provide an 'informed view' around any potential recommendations to manage the Task Force recommendations going forward.

Whilst an onscreen line by line review of the issues was undertaken by the Workgroup, only those issues that invoked Workgroup discussions, and/or involved a change to the '*Status Summary/Update*' statements and conditions have been recorded, as follows:

- Line 6 Issue Ref: 3.2.1 – PAC has agreed to continue to consider this issue and a set of anonymised reports are being developed.
'Owner' will be updated to PAC;
- Line 7 Issue Ref: 3.2.1 – Pause until PAC has had an initial view of the report, possibly at the April PAC meeting.
Align date to one month after L6 above;
- Line 8 Issue Ref: 3.2.1 – questions asked as to why 'Closed' issues need to be reviewed at this meeting, to which LJ responded by explaining that in this instance, it is to ensure that the matter has been considered should a party at some point in the future wish to review the status of the issue. Furthermore, it also recognises that Xoserve has already undertaken some of the initial groundwork.

It was suggested that it would be preferable to either set the 'Issue Priority (H/M/L)' to Low and revisit at a later date or alternatively provide an additional supporting comment.

It was noted that the supporting materials had already been provided as part of the 28 January 2019 meeting papers;

- Lines 9 & 10 Issue Refs: 3.2.1 – questions asked as to why Xoserve had not already prioritised these issues with some concerns voiced as to the future role of the UIG Task Force. The preferred solution should be to formally raise a UNC Modification to ‘cover off’ the issues.

It was felt that there were suitable forum’s available under which a Modification or change process could be sponsored and raised.

Once again concerns were voiced as to why this Workgroup is being asked to undertake a line by line review of all 89 issues with some parties suggesting that provision of an ‘Issues Paper’ would enable the industry to better assess whether they could support delivery of the various items – it was noted that ‘the industry’ is already extremely stretched with other important matters and this is NOT the appropriate forum under which to sign off these issues.

Responding, FC explained how Xoserve might look to raising suitable draft UNC Modifications in due course whilst at the same time engaging with industry parties whom they believe might be interested in supporting and driving forwards the Modifications.

‘Owner’ will be updated to Xoserve;

- Line 11 Issue Ref: 3.2.1 – agreement to close subject to progression of Lines 9 & 10 above;
- Line 12 Issue Ref: 3.2.1 – not seen as a viable option (Option 7 is preferred), therefore close;
- Line 13 Issue Ref: 3.2.1 – FC explained that it is the annual read frequency related sites that are causing the concern and that perhaps a ‘standalone’ UNC Modification would be needed in due course to address the issues.

It was noted that current AMR limitations around read frequencies are not helping matters and perhaps setting up an automatic monthly read provision (via flag mechanisms) might prove beneficial.

It was also noted that this item potentially ‘links in’ to PAC performance monitoring and reporting aspects and that provision of any supporting data would help the decision making and identification of a potential sponsor for the Modification;

- Line 14 Issue Ref: 3.2.1 – when FC explained that this issue relates to DM Threshold related aspects (i.e. not obtaining daily readings etc.), it was suggested that this issue should be deferred as a post UNC Modification 0647 review exercise and therefore it was agreed that it might be prudent to pause until there was a view on the likely implementation of Modification 0647;
- Line 19 Issue Ref: 3.2.2 – keep open and monitor in the UIG Workgroup or close – consensus was to close;
- Line 20 Issue Ref: 3.2.2 – pause whilst awaiting outcome of the Ofgem decision on UNC Modification 0651 which may address some of the issues;
- Line 25 Issue Ref: 3.2.2 – owner change to read as ‘Xoserve & PAC’;
- Line 32 Issue Ref: 1 – involves a cross over with UNC Modification 0664 provisions – JW to discuss further with Xoserve offline in order to consider potentially refining Modification 0664.

It was noted that UNC Modification 0647 provisions should also be considered;

- Line 33 Issue Ref: 1 – care needed to avoid CDSP being perceived as the ‘only’ potential AMR installer – consensus close the issue;

- Line 34 Issue Ref: 1 – subject to the Xoserve / DCC relationship going forwards with agreement to pause until April. It was noted that provision of a summary paper might help the industry to better understand the relationship between the two parties;
- Line 36 Issue Refs: 12.1 & 12.3 – as per Line 35 recommendation, therefore close;
- Line 40 Issue Refs: 12.1 & 12.3 – consensus close as it is felt option 3 PAC reporting already 'covers off' the issue;
- Lines 43 & 44 Issue Refs: 12.1 & 12.3 – subject of a heavy discussion relating to options 9a, 9b and 10 during which it was noted that a sponsor for the Modification has been agreed;
- Lines 45 & 46 Issue Refs: 12.1 & 12.3 – a sponsor for the Modification has been agreed;
- Line 47 Issue Ref: 12.2 – see agenda item 5.1 below for details;
- Line 62 Issue Ref: 3.2.8 – as the provision of more meaningful AQ corrections information is already being discussed within PAC, it was agreed that this issue would be 'covered off' under option 5 anyway and could therefore be closed for the purposes of this tracker;
- Line 63 Issue Ref: 3.2.8 – subject of discussions around whether this could be combined with another complimentary change in the AQ arena, as potentially consolidating similar issues would be beneficial.

During a brief discussion around the merits of closing the issue or keeping it open so that some party could potentially review the issue at some point in the future, it was agreed to review the matter again by September 2019;

- Lines 64 & 65 Issue Refs: 3.2.8 – similar to option 7 under Line 63 above, set to 'pause' and revisit the issue by December 2019;
- Line 66 Issue Ref: 3.2.8 – it was noted that the challenge is obtaining a read at vacant sites within the prescribed window – the consensus is for Xoserve to close the issue;
- Line 69 Issue Ref: 3.1 – two (2) Change Proposals have been raised, one focusing on system solution for a November release and the other focusing on the manual workaround requirements.

Whilst Xoserve indicated that they are confident that they can manage the anticipated volumes involved, KD and SB remain concerned that there might be some potential 'knock on' impacts involved for them – the details behind these concerns would be included in a soon to be submitted response. Xoserve will reconsider the response once it is submitted.

- Line 73 Issue Ref: 3.1 – it was noted that this should state 'in progress' and review by November 2019;
- Line 79 Issue Ref: 2 – to be 'linked' with issue reference 3.2.1 option 10 (meter read frequency auto updating);
- Line 80 Issue Ref: 2 – it was agreed that the reporting aspects are already 'covered off' under the provisions of the T51 report, plus the provisions of UNC Modification 0652.

It was agreed to pause the issue and look to review should Modification 0652 be implemented;

- Line 83 Issue Ref: 2 – pause until November to take into consideration UNC Modification 0479 provisions;

Line 85 Issue Ref: 13.2.2 – it was noted that care would be needed around communications from and to DESC and to avoid dual governance.

Consensus was to close the issue;

In concluding the discussions on this item, LJ advised that she would now update the document in accordance with the discussions undertaken and feedback provided and provide an amended version for consideration at the 25 March 2019 Workgroup meeting.¹

4.2. Views on Way Forward for Task Force Remaining 17 Lines of Investigation (LJ)

Please refer to the discussions on agenda item 4.1 above for more details.

5. Issues

5.1. Proposed New Issue: UIG Task Force Issue 12.2 – Standard Conversion Factor (FC)

UIG Task Force Issue 12.2 – Standard Conversion Factor presentation

When FC provided a brief overview of the presentation to the Workgroup, the Workgroup initially switched their attention to focus on the additional (supporting) colour coded '5.1 Iss 12.2 Options Analysis (2)' paper (please refer to the discussion points below for more details).

Upon returning to continue consideration of this presentation from page 8 onwards, attention was drawn to the 'Next steps' slide. Workgroup participants acknowledged that it remains unclear as to which option outlined below would potentially provide the most benefit.

Workgroup participants noted that there are multiple factors that need careful consideration such as: the standard conversion factor; the potential volumes involved; monitoring of gas temperature at the meter (which remain an unknown and therefore difficult to factor in to any considerations). Some parties believe that the industry already has sufficient information (indirect or otherwise) in relation to indoor/outdoor meter locational information to be able to allow the AUGER to make an informed assessment of the potential impacts etc. –the industry has sufficient location/temperature information to come up with some meaningful figures which would be a more informed assessment/estimate than the zero value information used now. It was suggested that should the AUGER be unable to utilise such data in order to undertake some modelling and provide a (partial) answer to the issue, then perhaps the industry should look for a party who could utilise the information. Responding, FC pointed out that the AUGER has already suggested undertaking a temperature analysis exercise on an LDZ basis.

It was then suggested that perhaps all that would be needed is a formula that takes into account air temperature, indoor/outdoor (meter location) temperature in order to come up with something that is preferable to the current 12.2°C factor.

When it was suggested that perhaps undertaking the work within DESC might be an option, it was noted that whilst this might improve the 'on the day' nominations and allocations, it is highly unlikely to address the actual UIG inaccuracies.

It was noted that perhaps one way to address the concerns would be to establish a UNC Request Workgroup (comprising technical experts) to review the matter in more detail. When BF suggested that (industry) attendance might be an issue on the grounds that this is a very specialised subject area, it was noted that care would be needed to avoid simply 'doing nothing' and living with the current levels of UIG.

¹ Please note: an updated version of the UIG Task Force Recommendations Tracker was provided by Xoserve and published on the Joint Office web site on 28 February 2019, at: <https://www.gasgovernance.co.uk/uig/250319>

It was acknowledged that whilst the 'industry' position is far away from the perfect answer in this area, any improvements would be better than the current position.

Concluding the discussions, the Workgroup agreed to keep this item on the (UIG Workgroup) agenda going forwards.

5.1 Iss 12.2 Options Analysis (2) colour coded presentation

FC explained that essentially the information contained within the document is based on the 'original' 05 January 2019 Option Number order.

FC then provided a brief background to the content and colour coding approach which serves to help identify the (most) preferred option(s). Furthermore, parties were asked to note that whilst the AUGE are also looking into these matters, it is highly unlikely their output would be included in this years' information/analysis.

During a brief discussion of the 10 options, attention centred on the following items (by exception only):

- Option number 2 – provides a potential 'quick fix' which potentially goes some way towards providing an explanation on how the proposed uplift factors actually work, although it is not 100% clear.

SB pointed out that from their perspective, these were only a temporary measure aimed at reducing reconciliation errors;

- Option number 3 – potentially provides the most accurate long term fix.

It was noted that Ofgem are not averse to the Workgroup discussing these matters.

However, it was also recognised that any regulatory changes in support of this option, might in practice be difficult to achieve.

- Option number 5 – when it was noted that the AUGE do not have a view on the actual temperatures involved, SB suggested that perhaps the industry could utilise seasonal variable data from a provider.

FC also suggested that this could be 'linked in' to one of the 12.3 issue references considered under agenda item 4.1 above;

- Option number 6 – it was suggested that this option potentially provides a better solution for those Shippers without a diverse geographical portfolio;
- Option number 7 – FC suggested that this could also include an 'altitude' factor;
- Option number 8 – it was recognised that this option could potentially involve a significant piece of work, including system changes;
- Option number 9 – when it was pointed out that this was the last item presented at the previous UIG Workgroup meeting, JW observed that should the information be based around the seasonal normal model, the anticipated potential impacts might be significantly different;
- Option number 10 – a new option raised on the day of the last Workgroup meeting.

Summarising the discussions, SB pointed out that a lack of questions on the day of the previous consideration, reflects the complexity of the matter.

Attention now returned to page 8 of the '*UIG Task Force Issue 12.2 – Standard Conversion Factor presentation*' above.

6. Review of Outstanding Actions

None to consider.

7. Any Other Business

7.1. Ratchet Charge ‘Soft Landing’ Concerns (TS)

TS explained that NGN (and the other Transporters) are concerned that the ‘soft landing’ provisions result in parties NOT incurring ratchet charges when moving their sites between Product Classes (PC) which is then compounded further when the ‘soft landing’ provisions are reset – in short, recent UNC Modifications are not addressing the issue.

When TS advised that the Transporters are closely monitoring the situation, JW advised that UNC Modification 0664 would be looking into potentially resolving some if not all, of the issue.

TS suggested that perhaps a ‘stop the clock’ based approach would prevent parties deliberately moving between PCs and thereby resetting the ‘soft landing’ windows. However, it was noted that there are various threshold issues and contract changes that might have an impact on a ‘stop the clock’ based solution.

ES went on to provide a brief explanation to the background to the ‘soft landing’ provisions explaining that it involves NDM to DM site movements which was originally aimed at mirroring the previous DME provisions.

It was noted that it might be favourable to include this matter in the development of UNC Modification 0664, on the grounds that UNC Modification 0647 has a challenging benefit versus costs assessment depending on the implementation option preferred.

When BF suggested that TS has two possible options open to her in order to look to address these concerns, namely raise a new UNC Modification or alternatively look to seek support from the Proposer of a current related Modification. Responding, JW pointed out that Modification 0664 is focusing on charging for ‘soft landing’ provisions which is subtly different.

8. Next Steps

BF briefly summarised the next steps as being:

- Workgroup to continue consideration of the ‘UIG Taskforce Recommendations Tracker’ on an exception basis, and
- Workgroup to continue consideration of the use of Standard and Specific Conversion Factor requirements.

9. Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:30 Monday 25 March 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Workgroup Agenda
10:30 Monday 29 April 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Workgroup Agenda