

UNCC AUG Sub-Committee
Friday 13 March 2020
via teleconference

Attendees

| | | |
|---------------------------|-------|-----------------------------|
| Alan Raper (Chair) | (AR) | Joint Office |
| Helen Bennett (Secretary) | (HB) | Joint Office |
| Andy Gordon | (AG) | DNV-GL |
| Carl Whitehouse | (CWh) | Shell Energy Retail Limited |
| Chandima Dutton | (CD) | Waters Wye Associates |
| Fiona Cottam | (FC) | Xoserve |
| Louise Hellyer | (LH) | Total Gas & Power |
| Mark Jones | (MJ) | SSE |
| Mark Palmer | (MP) | Orsted |
| Naomi Anderson | (NA) | Utility Warehouse |
| Rhys Kealley | (RK) | British Gas |
| Sallyann Blackett | (SB) | E.ON |
| Steve Mulinganie | (SM) | Gazprom |
| Tony Perchard* | (TP) | DNV-GL |

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/aug/130320>

1.0 Introduction

Alan Raper (AR) welcomed everyone to the meeting.

1.1. Approval of Minutes (14 February 2020)

The minutes from both meetings were approved.

2.0 Review of Outstanding Actions

Action 0903: Gazprom (SM) to facilitate conversation between AUGE and MAMs regarding meter maintenance and site-specific conversion factors

Update: Facilitated agenda but discussions are yet to take place. Tony Perchard (TP) confirmed there has been no update. The next SPAA meeting is Wednesday 25 March and SM will chase for an update at that meeting. **Carried Forward**

Action 0103: *Reference Unidentified Gas Factors* – DNV-GL (AG; TP; CW) to develop a paper and put forward a recommendation for Better/ Dynamic Unidentified Gas factors.

Update: An update is expected at the May 2020 meeting. **Carried Forward**

3.0 AUGS 2020/2021 – Consideration of Modified AUGS & Table plus Assessment of how Potential Consultation Response Issues will be addressed going forwards Consultation Responses and Feedback

AG provided a brief overview of the 'AUG UNCC Sub-Committee – Modified AUGS Summary' presentation highlighting that the purpose of the meeting was to give the Committee the opportunity to raise specific concerns in relation to the modified AUG statement.

AG provided an overview of the Timeline for AUG Analysis 2019/20 advising the final AUG Statement would be published 1 April 2020 followed by a committee review on 7 April 2020 and UNCC consideration on 16 April 2020.

The presentation covered the following areas:

Project Status

The project is on target and consultation responses have been published.

UIG Issues Status

UIG from a Meter Exchange will be looked at during the next AUG year, there are still many outstanding questions in this area.

The following three issues are on hold awaiting data or implementation of Modifications:

Update methodology to reflect new EUCs

Modification 0711 - Update of AUG Table to reflect new EUC bands, is going through consultation at the moment and the AUGs are in a position to amend the factors as and when it becomes a requirement.

Impact of updated CWV/SNCWV definition

Need to wait until all data is available to be able to carry out the analysis.

Assessment of TRAS leads data

AG advised that the AUGs would not be able to get the data in time for this year's analysis and Electralink have released a view of the data in readiness for next year's process.

An initial assessment will be completed of the data. If the conclusion is that the data is fit for purpose, Electralink will need to authorise the release of the data in order for the AUGs to use it in next year's analysis.

FC mentioned the SPAA Change Proposal, SCP 490, for which the data is now too late to use. The paperwork will require amendment to confirm that the implementation timeline would now be for 01 October 2021.

LH reminded the Committee that REC will be ready to go live sometime March/April 2021 and that at some point there will be a SPAA change freeze. What is in scope within SPAA at that time will transfer to REC.

AUGs confirmed they will check they are happy with what the change proposal is trying to achieve, this can be viewed here: www.spaa.co.uk/change/extra-theft-data-shared-between-the-tras-and-the-aug-via-cdsp/.

AG went on to present an overview of:

Offline Adjustment data

- This has been received & included in UIG factors

Unknown CSEP Projects

- Only nil returns received from IGTs
- Analysis still based on Jan 2015 to Jun 2017 data

Unregistered sites on known CSEPs

- November 2018 data used

TRAS Qualified Outliers and ETTOS

- Awaiting notification of TIG outcome and supply of data
- Fitness for purpose analysis will be carried out when data is supplied

Address Matching Statistics

- Part of extended data request
- If data is received, this will be part of factor calculations for 2021/22

AG explained that the AUGE have got reliable data at the moment although in terms of CSEPS, the effect is unknown given the nil returns from IGTs. He advised this could be good news in terms of data quality and data completeness.

Modified AUGS – Document/Methodology Updates

AP explained that section 4.3.5 has provides additional information regarding the process used to “smooth” the factors.

There has been a recalculation based on the additional information, the values updated and commentary has been added.

In summary, there have been no major methodology changes, the numbers have varied as a result of updated adjustment data and product class population data being factored into the methodology.

Product Class Population Update

AP explained that this is what is driving any changes, the new forecast of meter point population and added every time a new snapshot of product class information is provided, this makes the forecast more reliable. There is greater confidence in this as better data is being used.

UIG Factors

This table shows the factors from the proposed AUGS and shows the migration of Product Class 3.

Updated UIG Factors

The table on slide 10 shows a similar pattern, AG highlighted the EUC Band 2 Product Class 4 used to be slightly larger and now they are slightly less.

The updated Product Class information feeds into three key areas:

1. Theft figures – providing an estimate of undetected theft and how that is applied to the balancing factor.
2. Additional information for the relationship between theft and how long they take to be detected.
3. Volume Conversion factor effects.

4.0 Any Other Business

4.1. Implementation of new factors

RK asked for an update in relation to the possible implementation of the new EUC factors into the table, the degree of implementation difficulty and what is the impact for implementation next year.

FC advised there would not be a need for two tables to run in parallel. She went on to explain that Xoserve are working on a Rough Order of Magnitude (ROM) for the changes that will be required both in UKLink and Gemini.

As this is quite a significant change, implementation of Modification 0711S and XRN4665, would be given effect in the statement commencing Gas Year 2021/2022.

5.0 Next Steps

AR summarised the next steps as:

- The updated AUGS will be issued for review within the next couple of weeks.
- Next meeting on 07 April will be for AUGE to brief the Industry on the final AUGS prior to it being presented to UNCC 16 April.
- AR confirmed the UNCC will not be asked for approval of the AUGS, it will go through unless it is disapproved.

6.0 Diary Planning

AR asked the Committee to consider the next meeting, due to be held on 07 April 2020, being moved to a teleconference, rather than a face to face meeting, as the meeting is intended to be a briefing on the final AUGS to support the discussions at the following week's UNCC, where the final AUGS should complete its governance route.

The Committee agreed to hold the April meeting as a teleconference.

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 | AUG Sub-Committee Agenda |
|-----------------------------|--------------------|---------------------------------|
| 10:30 Tuesday 07 April 2020 | Via teleconference | Review the Final AUG Statement. |

Action Table (as at 13 March 2020)

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|------------|--------------|------------|--|---------------------|---|
| 0903 | 30/09/19 | 3.0 | Gazprom (SM) to facilitate conversation between AUGE and MAMs regarding meter maintenance and site-specific conversion factors. | Gazprom (SM) | Carried Forward |
| 0103 | 10/01/20 | 3.0 | <i>Unidentified Gas Factors:</i> DNV-GL to develop a paper and put forward a recommendation for Better/ Dynamic Unidentified Gas factors. | DNV-GL (AG; TP; CW) | Update due at May 2020 meeting. Carried Forward |