

**UNC Workgroup 0693R Minutes
Treatment of kWh error arising from statutory volume-energy
conversion**

Thursday 26 November 2020

Via Teleconference

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Sonniya Fagan	(SF)	Joint Office
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (Workgroup 0693R only)
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
India Koller	(IK)	SGN
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Rebecca Cailles	(RC)	BU-UK
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0693/261120

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 December 2020.

1. Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting.

1.1. Approval of Minutes (22 October 2020)

The Workgroup accepted the minutes.

1.2. Approval of Late Papers

AR advised there were no late papers submitted for this Workgroup.

1.3. Review of Outstanding Actions

Action 0901: Xoserve to provide update on the meter temperature data exercise from the AUG Subcommittee.

Update: FC advised this has not yet been requested by the current AUGE and proposed to close this action. She added that depending on what option goes forward, the appropriate information would be sought at that point, noting that meter temperature data would only be used to support some of the options. It was agreed to carry forward the action on the basis the Workgroup is drawing to a conclusion and to note in the Workgroup Report, if it reports to December Panel, that the action could be pursued should a relevant option be developed further. **Carried forward to December 2020**

Action 1001: Workgroup to review the options paper and submit comments, including preferred option, to FC Development of the Workgroup Report.

Update: FC advised only one response has been received, from Phil Lucas (PL) National Grid and that she will update the Options Analysis paper with the comments raised, one more version of the document will be provided. **Closed**

2. Review of updated Options Analysis Table to include Thermal Energy Regulations

AR invited Workgroup to provide any comments they have with regards to the Options Analysis paper; the discussion was noted as follows:

Steve Mulinganie (SM) summarised that the statutory set of arrangements that mandate how the conversion of metered volume to standard conditions volume is effected must be observed, adding that if it is suggested that the statutory requirements are incorrect the regulations would need to be amended.

Fiona Cottam (FC) summarised the five options and advised it is highlighted in the Options Analysis paper which of them are compliant with the Thermal Energy Regulations. A summary of the Thermal Energy Regulations are published on the meeting page here: www.gasgovernance.co.uk/0693/261120

The options that would **not** be compliant with the Thermal Energy Regulations are:

- Option 4(ii): Add a new LDZ level factor to the volume-to-energy conversion formula to account for the net difference in energy. The factor would be calculated daily using actual LDZ weather
- Option 7: Introduce an LDZ level conversion factor (permanent/per year/per month)
- Option 11: Adjust daily gas allocations and subsequent meter point reconciliations to take account of impact of actual weather on metered gas volumes.

AR advised that he has discussed this Review Group with the Proposer and confirmed the Proposer believes this Review Group has reached the point where the analysis of options is complete and summarised that of the five options in the paper; three would not be compliant with the Thermal Energy Regulations; Option 5 is due to be incorporated into the AUGE process for the next Gas Year and Option 10 would not be practical.

PL noted that Option 5 if already implemented, is there is room to assess the effectiveness of that option?

SM advised that if the AUGE process amends the way energy is shared, then any pass-through to customers could not impinge on the legally stipulated calculation and affect the resulting quantities billed to the customer.

When asked if the legislation could be circumvented to get a better outcome, it was confirmed that for the calculation to be changed, the only appropriate route would be to amend the legislation. The view was that to amend the legislation would require an evidence-based study that would need to demonstrate how any change(s) would be of benefit.

AR confirmed, following a conversation with the Proposer, there are no options that the Proposer would wish to progress to a modification proposal.

Next Steps

AR will draft a Workgroup Report and incorporate the comments received today for Workgroup to review at the next meeting on 14 December. Workgroup agreed that a 1-month extension would be of benefit and the report for the Review Group should report to January UNC Panel.

New Action 1101: FC to update the Options Analysis paper with National Grid comments.

New Action 1102: AR to develop the Workgroup Report for Workgroup to review on 14 December.

3. Development of Workgroup Report

This will be covered at the next meeting in December 2020.

4. Next Steps

AR will draft a Workgroup Report and, using the key points from the Options Analysis paper and incorporating the comments received today, provide it for Workgroup to review at the next meeting on 14 December. Workgroup agreed that a 1-month reporting extension should be requested at December Panel to allow the report to be submitted well in advance of the January meeting.

5. Any other business

None.

6. 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
Monday 14 December 2020	Teleconference	Completion of Workgroup Report

Action Table (as at 26 November 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	23/09/19	2.0	Xoserve to provide update on the meter temperature data exercise from the AUG Subcommittee.	Xoserve (FC)	Carried Forward
1001	22/10/20	2.0	Workgroup to review the options paper and submit comments, including preferred option, to FC Development of the Workgroup Report	Workgroup	Closed

1101	26/11/20	1.3	FC to update the Options Analysis paper with National Grid comments	Xoserve (FC)	Pending
1102	26/11/20	1.3	AR to develop the Workgroup Report for Workgroup to review on 14 December	Joint Office (AR)	Pending