

UNC Workgroup 0594R Minutes
Meter Reading Submission for Advanced & Smart Metering
Thursday 23 February 2017
at Elexon, 350 Euston Road, London NW1 3AW

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andy Clasper	(AC)	National Grid Gas Distribution
Andrew Margan	(AM)	British Gas
Angela Love*	(AL)	ScottishPower
Carl Whitehouse*	(CWA)	first utility
Chris Warner	(CW)	National Grid Gas Distribution
Colette Baldwin	(CB)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
David Tennant*	(DT)	Dentons
Fraser Mathieson	(FM)	Scotia Gas Networks
Jon Dixon	(JD)	Ofgem
John Welch	(JW)	npower
Kathryn Turner	(KT)	Good Energy
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Rachel Hinsley	(RH)	Xoserve
Shanna Key	(SK)	Northern Gas Networks
Steve Mulinganie*	(SM)	Gazprom

* via teleconference

Copies of all UNC meeting papers are available at: <http://www.gasgovernance.co.uk/0594/230217>

The UNC Workgroup Report is due to be presented at the UNC Modification Panel by 15 June 2017.

1.0 Introduction and Status Review

1.1. Approval of Minutes (26 January 2017)

The minutes of the previous meeting were approved.

2.0 Discussion – Way Forward

Ofgem ‘Meter reading submission for advanced and smart metering’ presentation

Opening discussions, BF explained that a presentation had been provided by Ofgem immediately prior to the meeting.

During an onscreen review conducted by JD and supporting explanation behind the rationale for the presentation, views were sought around the adoption of a collaborative based approach to address issues that were raised by the CMA.

JD believes that in essence 0594R is looking at the 'what next' processes required in order to support a successful rollout of the SMART regime, especially read provisions etc..

Thereafter, the main salient points were discussed and captured by exception, as follows:

Slide 3

- parties asked to note the 01 September 2017 CMA submission deadline;
- there is an opportunity to argue the viability of the 01 April 2018 date, and
- DO NOTHING is not an option, however is it realistic.

Slide 4

- JD advised that to date, he has not had a chance to discuss the Terms of Reference aspects with SM;
- a question around the economic case will be needed in due course;
- is April 2018 the only viable option for daily read submission aspects, and
- it was noted that Ofgem have previously stated a preference for inclusion of SSPs in the daily meter read regime.

Slide 5

- JD explained that this slide represents a high-level view, and
- As far as costs are concerned, the CMA did not consider these as material for those Shipper who have built systems for SMART.

Slide 6

- parties requested to provide their views, or additional items on / for the assumptions listing.

Slide 7

- JD noted that inclusion of the Report RACI (R- Responsible, A – Accountable, C – Consulted, I – Informed) is beneficial.

Slide 8

- represents a possible timeline around the 'fixed industry dates', especially the CMA implications and impacts aspects;
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- parties were asked to note that the February to May elements are flexible, whilst those thereafter are not.

Slide 9

- as stated, whilst Ofgem favours a collaborative style approach, they (Ofgem) reserve the right to make the ultimate conclusions / decisions if the Workgroup route proves ineffective;
- JD advised that the final bullet point had been discussed (i.e. whether or not the April 2018 date is viable) at the previous day's Overview Board meeting;
- it was noted that this is not a fait accompli, and views are very much welcomed;

Returning to a more general discussion, JD confirmed that these proposals do not necessarily mean the demise of Class 3's, especially as the CMA order does not preclude batch submissions for settlement purposes. In considering whether or not Class 3's were a viable option, it was suggested that there might be benefit in considering the wider settlement arrangements post Nexus implementation.

When asked who could / would actually incur the benefits (Shippers / Consumers perhaps), JD suggested that a more holistic view around settlement accuracy and frequency aspects could prove beneficial, as an industry view around what actually constitutes settlement accuracy is needed – how we convince the industry of any potential benefits remains an important consideration.

Some parties believe there would be benefits in undertaking more frequent Workgroup meetings (over and above the normal monthly Distribution Workgroup meetings) and also including AUGE input into the discussions. Responding, JD acknowledged the potential benefits behind hosting additional sub meetings and having the AUGE input into the process may be beneficial although this would need to be thought through. However, he also believes that there is still need to set out the model based on historic actual reads and factor in profiles before trying to overlay the new SMART regime aspects in order to better assess how the supporting mechanisms might work (i.e. look to build various scenarios for consideration). It was also suggested that there could be benefit in including DESC input into the process, especially taking advantage of their modelling expertise.

In noting that the CMA change dates are reflective of Project Nexus delivery timescales, JD advised that should the Project Nexus solution require fixing, it could / would potentially impact on the CMA September date(s).

When asked whether anyone had any SMART consumption date information to substantiate the 10% reduction claims, JW advised that DESC might have some useful information as members had been considering models which might use such information., although perceived longer term business behaviours around AQs might be subtly different to expectations.

When asked who might be best placed to undertake the modelling requirements, JD suggested that Ofgem is probably the favourite to undertake the work although it may necessitate involvement of a 3rd party support provision. However, it was noted that all parties could have a useful role to play in contributing the to Excel spread sheet based build aspects. In suggesting that the industry already has a base (date) reference point which is subtly different to the previous Performance Assurance (PAF) approach, JD recognised that there might be a need to procure 3rd party services. JW suggested that DESC may be able to support the analysis as they were involved in similar model developments.

Focusing once again on slide 3, JD provided a more detailed explanation as to why and how the September 2017 is a crucial date for influencing the CMA.

JD went on to point out that there are clearly some daily v's monthly read recommendation tensions (i.e. essentially tightening Product Class 4 requirements, rather than Class 3 ones) alongside some Xoserve transaction related aspects that need considering. DA then provided a brief overview of the potential read differences between Class 2 and 3.

In considering how best to move forward, JD confirmed that he would look to provide a matrix, analysis and assumptions model for consideration at the March Workgroup meeting. Additionally, he would welcome some initial views around the potential methodology.

New Action 0201: Reference development of an analysis and assumptions matrix and establishing an initial position on a future methodology - Ofgem (JD) to set up an informal Ofgem led meeting between interested parties with the aim of reporting back at the March 2017 Workgroup meeting.

When it was suggested that the Workgroup should also consider the potential costs associated with Project Nexus scalability aspects, JD suggested that this is not necessary as Xoserve has already undertaken system usage assessments. DA reminded everyone that Xoserve has already shared its take up assumptions with the industry. SM suggested that the Workgroup also needs to also factor in the actual take up figures in due course, including both interim and enduring take up expectations.

Concluding discussions on this item, BF requested that should anyone have any feedback relating to this matter that they provide it to JD direct.

3.0 Development of Workgroup Report

In line with discussions on item 2.0 above (and 4.0 below), further consideration of this item was deferred at this meeting.

4.0 Review of Actions Outstanding

1201: Gazprom (SM) to develop a draft 0594R Workplan for consideration at the next meeting.

Update: SM explained that to date he has received only one response which he is currently considering. **Carried Forward**

1202: All parties to liaise with Gazprom (SM) to identify suitable items for inclusion within a Workplan.

Update: Please refer to outstanding action 1201 above for more details. **Carried Forward**

5.0 AOB

None.

6.0 Next Steps

BF suggested that perhaps at the next meeting, participants should look to schedule more frequent meetings (i.e. more than one per month) and thereafter look to continue progressing the bulk of the work matters via the Distribution and sub Workgroup routes.

7.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
10:30 Thursday 23 March 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Standard Agenda items • <i>Other – to be confirmed</i>

Action Table (as at 23 February 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1201	14/12/16	2.0	To develop a draft 0594R Workplan for consideration at the next meeting.	Gazprom (SM)	Carried Forward
1202	14/12/16	2.0	To liaise with Gazprom (SM) to identify suitable items for inclusion within a Workplan.	All	Carried Forward
0201	23/02/17	2.0	Reference development of an analysis and assumptions matrix and establishing an initial position on a future methodology - Ofgem (JD) to set up an informal Ofgem led meeting between interested parties with the aim of reporting back at the March 2017 Workgroup meeting.	Ofgem (JD)	Pending