

UNC Distribution Workgroup Minutes
Thursday 27 January 2022
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Claire Louise Roberts	(CLR)	Scottish Power
Dan Fittock	(DF)	Corona Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve (0781R)
Gareth Evans	(GE)	Waters Wye Associates (0781R)
Guv Dosanjh	(GD)	Cadent
Hursley Moss	(HM)	Cornwall Insight
John Jones	(JJ)	ScottishPower
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyer	(LH)	Totalenergies Gas & Power
Mark Perry	(MP)	Correla on behalf of Xoserve (0781R)
Martin Attwood	(MA)	Correla on behalf of Xoserve (0763R)
Oorlagh Chapman	(OC)	Centrica
Rhys Kealley	(RK)	British Gas
Robert Johnstone	(RJ)	Utilita
Steve Mulinganie	(SM)	Gazprom Energy
Tom Stuart	(TS)	Wales & West Utilities

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dist/270122>

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting.

1.1. Approval of Minutes (13 December 2021)

The minutes from the previous Distribution Workgroup were approved.

1.2. Approval of late papers

RHa advised the only late paper for Workgroup to consider is the Ofgem Industry Update and suggested that Workgroup accept the late paper. Workgroup agreed as the update is very welcome.

1.3. Review Outstanding Actions

0112: Modification 0672 Legal Text: Scottish Power (CLR) to confirm the changes to **M5.9.18** is what was intended within Modification 0672.

Update: Claire Louise Roberts (CLR) provided an update to this action and confirmed that she has liaised with Xoserve who are comfortable with the changes proposed. CLR is working on a Fast-Track Modification to be submitted for the February 2022 UNC Modification Panel. **Closed**

1.4. Modifications with Ofgem

RHa advised Workgroup that Max Lambert, Ofgem, had sent his apologies for the meeting and provided an electronic update which has been published on the Workgroup meeting page here: www.gasgovernance.co.uk/dist/270122. Workgroup comments are captured where there were any.

The update provided the following information:

UNC760: Introducing the concept of a derogation framework into Uniform Network Code (UNC) – Authority Decision

Ofgem have considered the issues raised by the Modification proposal UNC760: 'Introducing the concept of a derogation framework' and the Final Modification Report dated 21 October 2021, and after careful consideration decided to reject the Modification with their reasons set out in their decision letter, published 21 January 2022.

<https://www.ofgem.gov.uk/publications/decision-reject-uniform-network-code-unc-760-introducing-concept-derogation-framework-uniform-network-code-unc>

Guv Dosanjh (GD) expressed his disappointment of the decision to reject the Modification adding that there had been 11-12 months' worth of development for the Modification and ample opportunity for Ofgem to get involved to help shape the Modification.

Tracey Saunders (TS) advised she has liaised with Ofgem to understand the rationale behind their decision and a new Modification will be raised to address the points made.

Workgroup agreed they were surprised that Ofgem did not take the opportunity to use the 'send-back' process and requested, for transparency, for Ofgem to share what their 'send-back' criteria is.

New Action 0101: *Modification 0760 Authority Decision - Joint Office (RHa) to liaise with Ofgem (Max Lambert) in order to identify what the send back criteria is.*

GB Gas Storage Facilities 2022

On 21 January 2022, Ofgem published information regarding the existing, operational gas storage facilities in GB.

<https://www.ofgem.gov.uk/publications/gb-gas-storage-facilities-2022>

UNC797 (Urgent): Last Resort Supply Payments Volumetric Charges – Authority Decision

Ofgem have directed in their letter, published on 20 January 2022, that Modification UNC797: 'Last Resort Supply Payments Volumetric Charges' should be made. Correspondingly, Ofgem also directed in this letter that Modification UNC697V 'Creation of new charge to recover Last Resort Supply Payments' be rejected.

<https://www.ofgem.gov.uk/publications/authority-decision-unc0797-urgent-last-resort-supply-payments-volumetric-charges>

RHa asked the Distribution Networks if there is now sufficient time to include the change in their prices by the deadline of 31 January 2022. GD (Cadent) clarified they are working at pace and should be able to meet the deadline.

David Mitchel (SGN) advised that during the course of the Modification development, SGN were working on the pricing mechanisms, both options were being worked on and he is fairly confident that the deadline can be met.

Steve Mulinganie (SM) asked if there is a specific timeline related to the judicial review process?

Some Workgroup participants thought this to be 3-months, Joint Office were asked to confirm this.

It was confirmed that XRN4992a is out for consultation and Ellie Rogers (ER) advised the Detailed Design pack does reference both Modifications, a further change pack will be issued to confirm the Modification that the XRN refers to.

New Action 0201: *Modification 0797 (Urgent) Authority Decision* - Joint Office (RHa) to confirm what the timeline is for a judicial review.

Consultation on the closeout methodologies for RIIO-GD1

The RIIO-GD1 price control ran from 1 April 2013 to 31 March 2021. Within RIIO-GD1 there are a number of cost areas that require specific mechanisms to close out given their uncertain nature. As a result of these mechanisms, some areas of the price control need to be settled (“closed out”) once the price control has ended. Ofgem are proposing methodologies that will enable them to close out the RIIO-GD1 price control.

Ofgem welcome views from stakeholders on their suggested approach outlined in the consultation by 11 February 2022, sent to Jon Sharvill on 0203 263 9623 or jon.sharvill@ofgem.gov.uk.

<https://www.ofgem.gov.uk/publications/consultation-closeout-methodologies-riio-gd1>

Green Gas Support Scheme and Green Gas Levy Launch

The Green Gas Support Scheme (GGSS) and the associated Green Gas Levy (GGL) launched on 30 November 2021 and is open for application in England, Scotland, and Wales until November 2025. Ofgem are delighted to be administering the schemes on behalf of the Department of Business, Energy and Industrial Strategy (BEIS), and you can read more on the schemes below.

<https://www.ofgem.gov.uk/news-and-views/blog/green-gas-support-scheme-and-green-gas-levy-launch>

SM commented that the intent is that all of the data required will be provided centrally ready for the initial cut-off date for February and asked if it will be provided via Xoserve? He added that was the aspiration.

Xoserve participants, David Addison (DA) and Ellie Rogers confirmed they have had the direction to provide the information.

This led to slight confusion within the Workgroup where another participant advised it was their understanding that the Supplier would be providing the required data. Having made some internal enquiries, Clare Manning (CM) provided some clarification and referred to a presentation provided to the DSC Change Management Committee in November 2021 where it was suggested that Suppliers are expected to submit MPRN information but there has been no confirmation since that meeting.

CM asked whether Xoserve could confirm.

ER confirmed that Xoserve are in conversation with Ofgem who have suggested they are not ready to receive the data from Xoserve. In terms of the solution, the enduring solution is ready and Xoserve are just waiting on confirmation from Ofgem.

ER confirmed that the Xoserve meter point data will be available from 07 February 2022 and Suppliers will then need to validate it.

SGN Local Transmission System (LTS) Futures Project

Ofgem are consulting on the needs case and efficient costs for the LTS Futures Project proposed by SGN. Ofgem are seeking views on their assessment of the needs case, cost allowance and funding approach for this project. Responses are requested by 2 February 2022 to Duncan Innes on 0207 901 7471 or duncan.innes@ofgem.gov.uk.

<https://www.ofgem.gov.uk/publications/sgn-local-transmission-system-lts-futures-project>

Statutory consultation on modifications regarding Last Resort Supply Payment Claims for electricity supply, gas supply, electricity distribution and gas transporter licence conditions

This is a statutory consultation published on 30 December 2021 on Modifications regarding Last Resort Supply Payment Claims for electricity supply, gas supply, electricity distribution and gas transportation licence conditions.

Any representations with respect to the proposed licence Modifications must be made on or before 27 January 2021 to regfinance@ofgem.gov.uk.

<https://www.ofgem.gov.uk/publications/statutory-consultation-modifications-regarding-last-resort-supply-payment-claims-electricity-supply-gas-supply-electricity-distribution-and-gas-transportation-licence-conditions>

UPDATE: Code modification/modification proposals with Ofgem for decision – Expected publication dates timetable

<https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>

1.5. Pre-Modification discussions

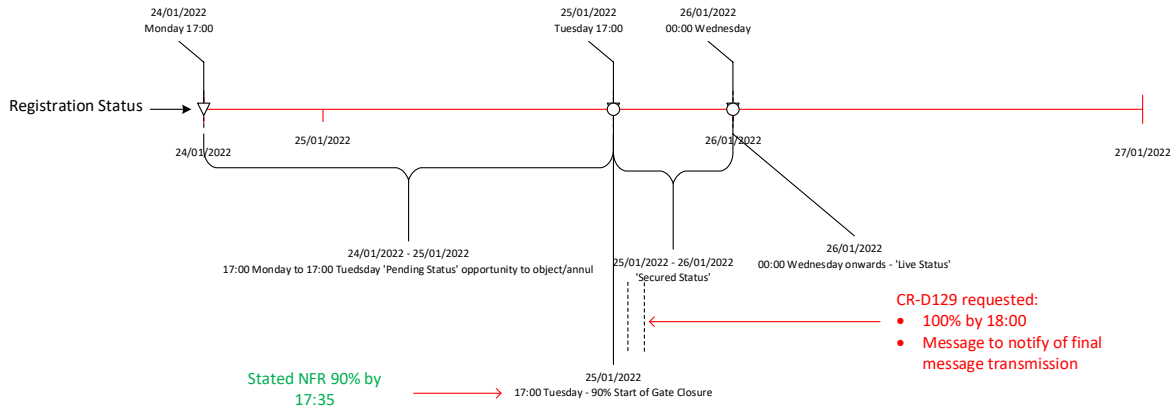
There were no pre-Modifications for discussion.

2. CSS Consequential Changes – Detailed Design Report

David Addison (DA) clarified that he is anticipating the Legal Text for the Significant Code Review (SCR) will go to Ofgem Thursday 27 January 2022 and thanked Workgroup for their support.

DA went on to explain that a question was raised at DSC Contract Committee if there is a risk in the instance where the CSS System goes down and is unrecoverable within the timeframe.

DA shared a draft of the Lifecycle of the Registration timeline within REC:



The standard Registration path:

- DA explained, if a Registration is received by 17:00hrs on Monday, the status is 'pending'. The 'pending' status remains in place until 17:00hrs on Tuesday.
- Whilst the registration is at 'pending' status, there is an opportunity for the User to reject or change their mind.
- At 17:00hrs on Tuesday the Registration goes to 'secured' status until Wednesday midnight.
- At 00:00 Wednesday CSS sets the Registration to 'live' status.

DA explained the red text on the diagram indicates the 17:00 hrs start of the gate closure which is where a notification goes out to industry.

DA advised there was a Non-Functional Requirement (NFR) (green text) that was applied on CSS as a result of an Xoserve design issue.

DA advised that Change Request (CR-D129) requested 100% by 18:00hrs and a message to notify of final message transmission.

At DSC Contract Committee, it was concluded that Xoserve would work with Distribution Workgroup to ratify any risk and that DCC would need to define a process whereby if they are running late with batches, Xoserve should get a notification. This would be a Business Continuity Disaster Recovery (BCDR) arrangement.

DA clarified that CSS can get to 90% within the timescale and that he would expect the circumstances when that does not happen to be very rare.

DA agreed to describe to Distribution Workgroup the process and what the scale of the impact would be.

DA clarified Xoserve's intention is to still get to 100% by 18:00hrs, but the nervousness from the DCC side is around some of the exception management.

When asked what the transition arrangement is, DA advised he is unsure of the plan at the moment.

New Action 0301: *Registration Timeline with REC - Xoserve (DA) to advise Workgroup what the transition arrangement will be.*

DA advised that CR-D129 is on hold and will be picked up post implementation. In the meantime, Xoserve will start working on the solution. There are a further two changes on hold through the program, CR-D60 and CR-D61 which will look at a defined exception management process. This will not go live until after the Post Implementation Support window.

This concluded the update from DA.

3. Workgroups

3.1. 0763R - Review of Gas Meter By-Pass Arrangements

(Due to report to Panel 21 April 2022)

<https://www.gasgovernance.co.uk/0763>

3.2. 0781R - Review of the Unidentified Gas Process

(Due to report to Panel 21 April 2022)

<https://www.gasgovernance.co.uk/0781>

3.3. 0782 – Creation of Independent AUGE Assurer (IAA) role Deferred to January 2021

(Due to report to Panel 17 February 2022)

<https://www.gasgovernance.co.uk/0782>

4. Issues

None raised.

5. Any Other Business

DA provided an update on an action that was taken from the now closed Workgroup 0784S.

Action 0112 (0784S): Xoserve (DA) to provide a demonstration of how the relationship between the UNC and REC will be managed in the event of a termination.

Update: DA confirmed the two are not related and there is no consequential impact. **Closed**

6. Diary Planning

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

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 24 February 2022	5pm 15 February 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 24 March 2022	5pm 15 March 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 28 April 2022	5pm 19 April 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 26 May 2022	5pm 17 May 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 23 June 2022	5pm 14 June 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 28 July 2022	5pm 19 July 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 25 August 2022	5pm 16 August 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 22 September 2022	5pm 13 September 2022	Microsoft Teams	Standard Agenda
Thursday 10:00	5pm	Microsoft Teams	Standard Agenda

27 October 2022	18 October 2022		
Thursday 10:00 24 November 2022	5pm 15 November 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 12 December 2022	5pm 01 December 2022	Microsoft Teams	Standard Agenda

Action Table (as of 27 January 2022)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0112	13/12/21	5.1	Modification 0672 Legal Text: Scottish Power (CLR) to confirm the changes to M5.9.18 is what was intended within Modification 0672.	January 2022	Scottish Power (CLR)	Closed
0101	27/01/22	1.4	<i>Modification 0760 Authority Decision</i> - Joint Office (RHa) to liaise with Ofgem (Max Lambert) in order to identify what the send back criteria is.	February 2022	Joint Office (RHa)	Pending
0201	27/01/22	1.4	<i>Modification 0797 (Urgent) Authority Decision</i> - Joint Office (RHa) to confirm what the timeline is for a judicial review	February 2022	Joint Office (RHa)	Pending
0301	27/01/22	2.0	<i>Registration Timeline with REC</i> - Xoserve (DA) to advise Workgroup what the transition arrangement will be.	February 2022	Xoserve (DA)	Pending

UNC Workgroup 0763R Minutes
Review of Gas Meter By-Pass Arrangements
Thursday 27 January 2022
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Claire Louise Roberts	(CLR)	Scottish Power
Dan Fittock	(DF)	Corona Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Guv Dosanjh	(GD)	Cadent
Hursley Moss	(HM)	Cornwall Insight
John Jones	(JJ)	ScottishPower
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyer	(LH)	Totalenergies Gas & Power
Martin Attwood	(MA)	Correla on behalf of Xoserve (0763R)
Oorlagh Chapman	(OC)	Centrica
Rhys Kealley	(RK)	British Gas
Robert Johnstone	(RJ)	Utilita
Steve Mulinganie	(SM)	Gazprom Energy
Tom Stuart	(TS)	Wales & West Utilities

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0763/270122>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 April 2022

1.0 Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting.

1.1. Approval of Minutes (13 December 2021)

The minutes from the previous Workgroup were approved.

1.2. Approval of Late Papers

There were no late papers to consider.

1.3. Review of Outstanding Actions

Action 0111: Proposer (CLR) to work on producing straw man of the Guidance Note.

Update: Action deferred to 24 February 2022 Workgroup. **Carried Forward**

2.0 Consideration of Request

2.1. Review Further Analysis

Martin Attwood (MA) provided an update to an action that was recorded as part of the Performance Assurance Committee (PAC):

PAC Action 1104: Reference Validation 1104: Shipper Consumption Adjustment Correlate to investigate what validation processes are followed and thereafter provide an update to the 0763R 'Review of Gas Meter By-Pass Arrangements' Workgroup.

MA explained that Consumption Adjustments (CA) are required to be submitted to cover the period when a Meter by-pass has been physically open, if a CA is not applied, the actual consumption will remain as Unidentified Gas (UIG).

MA clarified there are some system validations carried out to ensure there is a CA submitted by the relevant Shipper, but there is no automated validation applied to the CA volume. However, there are manual sense checks carried out on the CA volume to prevent erroneous volumes being processed. Any issues identified during the manual sense check are typically resolved via a Data Clarification (DC) back to the Shipper.

When asked what happens if the Shipper does not respond to the DC, MA agreed to find out, although it is his understanding that before approving the CA in the downstream system, if there were no response to the DC, the CA would not progress any further.

New Action 0101: *Consumption Adjustments* - Correlate (MA) to confirm what happens if a Shipper does not respond to a Data Clarification.

2.2. Review Data Cleansing Requirements

Not discussed.

2.4. Review of potential UNC Changes

Not discussed.

3.0 Next Steps

RHa confirmed that the next Workgroup meeting in February will review the strawman of the Guidance Note and receive an update to New Action 0101.

4.0 Any Other Business

None.

5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 24 February 2022	5pm 15 February 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 24 March 2022	5pm 15 March 2022	Microsoft Teams	Standard Agenda

Action Table (as of 27 January 2022)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0111	25/11/21	2.1	Proposer (CLR) to work on producing straw man of the Guidance Note	December 2021	Proposer (CLR)	Carried Forward
0101	27/01/22	2.1	<i>Consumption Adjustments</i> - Correlá (MA) to confirm what happens if a Shipper does not respond to a Data Clarification	February 2021	Correlá (MA)	Pending

UNC Workgroup 0781R Minutes
Review of the Unidentified Gas process
Thursday 27 January 2022
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Claire Louise Roberts	(CLR)	Scottish Power
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Tom Stuart	(TS)	Wales & West Utilities

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0781/270122>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 April 2022.

1.0 Introduction and Status Review

1.1. Approval of Minutes (13 December 2021)

The minutes from 13 December 2021 were approved.

1.2. Approval of Late Papers

RHa confirmed there were no late papers for Workgroup to consider.

1.3. Review of Outstanding Actions

No outstanding actions to consider.

2.0 Initial Analysis

Modelling Error

Mark Perry (MP) joined the Workgroup to help Workgroup gain a better understanding of what the relevant impact of modelling error is compared to actual losses.

During his update MP focussed on the presentation which covered the following main topics. full details can be found on the published presentation here: www.gasgovernance.co.uk/0781/270122. Where there was specific discussion, this is noted as follows:

What is NDM Modelling Error? - Slide 2

MP explained that Modelling Error is the difference between the estimated view of Demand at D+5 and the Actual Demand for the NDM population. The estimate of 'NDM Supply Meter Point Demand' is derived by the 'NDM Algorithm' which relies on Gas Demand Profiles built from underlying Demand Models for each End User Category (EUC). MP noted that NDM Modelling Error causes temporary Unidentified Gas (UIG) at D+5 until Meter Point Reconciliation occurs in the NDM population, it is at this point, the differences become known, and the error is removed from UIG.

What are the causes of NDM Modelling Error? - Slide 3

MP advised that when the Demand Estimation Sub-Committee (DESC) look at what the current model error is, only certain parts are looked at, this is further explained below. Ultimately DESC are looking for the estimate to be as accurate as possible, but there will be natural imperfections.

The information on this slide shows the different points where a model error could exist.

- End User Category (EUC): Inaccuracy of Supply Point data.
- Annual Quantity (AQ): Inaccuracy in the AQ in UK Link due to, for example, out of date meter readings.
- Annual Load Profile (ALP): Gas consumption forecasts; weather forecasts (will always be based on historical analysis and lessons learnt)
- The Weather Correction Factor (WCF) and Daily Adjustment Factor (DAF): although modelled, these will not work perfectly in combination with the ALP.

When David Morely (DMo) asked if Model Error can affect outcomes either way, (write-off as well as create UIG), MP confirmed yes it can.

When Steve Mulinganie (SM) commented, where UIG goes negative, that can only be because of Model Error, MP agreed that this is true when, for example, the majority of LDZs the UIG has gone negative. MP pointed out though that UIG can go negative for other reasons, such as incorrect LDZ or DM measurements, but this is likely to be relevant to a particular LDZ.

RHa noted there is an annual process at DESC where they look to make the Modelling Error as low as possible. Further detail is available on the DESC pages of the JO website here: <https://www.gasgovernance.co.uk/desc>

How is NDM Modelling Error measured - Slide 4

MP advised that each December, DESC completes a review of the 'NDM Algorithm performance' for the previous Gas Year, this analysis currently considers three 'Strands': 1) Weather 2) UIG and 3) Modelling Error.

This analysis can be flawed if the supply point data is incorrect, for example, incorrect Market Sector Code, leading to inappropriate conclusions. Part A (EUC), of the NDM Algorithm is also partly considered when, for example reviewing the success (or not) of new EUCs.

What are the latest NDM Modelling Error figures? (1 of 3)

MP advised that DESC considered the latest analysis for Gas Year 2020/21, in December 2021, the full summary results (Strand 3 NDM Demand Analysis) are available here: <https://www.gasgovernance.co.uk/desc/141221> and shared example extracts which can be seen on slides 5-7.

Slide 5 shows Domestic Band 1 EUC (“01BND”): Modelling Error based on sample of 3,579 MPRs. Generally, the “01BND” model tracks actual consumption well over the Gas Year and during high volume Winter months.

MP explained the NDM sample used up until the last 2-3 years, mainly consisted of samples from Domestic from Xoserve and for the larger I&C sites from the Networks. MP noted that *Modification 0654S - Mandating the provision of NDM sample data* (implemented in March 2019), directed Shippers to provide data as well which then boosted the amount of data available.

When asked, MP clarified that the data is refreshed every April and September. Eligible Shippers with a large enough portfolio are mandated to submit full and complete data at each of these windows.

When GE asked if the allocated consumption is reconciled, MP confirmed the allocated demand in the analysis represents the NDM Algorithm in Gemini (except for the AQ – see next para), it does not consider reconciliations as the analysis is attempting to review the accuracy of D+5 allocation i.e., before rec has taken place.

MP clarified they are not taking the energy factors from Gemini as this is based on UK Link AQ which is potentially out of date and so would not be a fair representation of the profile accuracy. The analysis is therefore using an AQ created using the sum of actual consumption and then weather correcting it to make it an AQ.

MPE is Mean Percentage Error. The sign of this tells you which direction the error is in.

MAPE is Mean Absolute Percentage Error. This has no direction.

In isolation the over allocation would understate UIG for a period before the reads came in. If the NDM pot is too big, UIG would be negative. If under allocated, UIG must make up the difference.

Slide 6 shows results for I&C EUC in Band 1 (“01BNI”) with a sample of 5,149 MPRs.

Chart on left shows profile using new I&C profile (“01BNI”). Chart on right shows profile using Domestic profile (“01BND”) which was used previously. Approximately 500K Supply Points are now benefitting from a clearly more suitable profile.

Slide 7 summarises Overall Modelling Error by EUC note this is the MAPE i.e. absolute error.

Band 2 Domestic (“02BND”) Modelling Error results likely to be caused by incorrect Market Sector Codes.

Band 1 Prepayment Domestic (“01BPD”) uses a model that is nearly 10 years old, also more vulnerable to Supply Point data accuracy.

MP explained that 02BND is the worst performing model, which is probably caused by incorrect Market Sector Codes, he said there is no reason for those populations to be much different than the Band 1 domestic population.

When SM commented that there have been issues in the past about how accurate Market Sector Codes are, GE clarified that the issues were largely solved by the Switching Program where the Objection Window will be driven by the Market Sector Code. He added he suspects there will be a re-evaluation and that it might not be as big a problem as it has been.

There may be scope to improve the accuracy of Market Sector Code data. This may require a Modification.

When DMO referred to low sample sizes for EUC 1, MP clarified it is a struggle to get sample data for some of the EUCs.

MP also noted that they are looking at Class 3 samples to boost the sample data and that for Pre-Payment, they are using a model that is 10 years old. The data for Pre-Payment Domestic is based on Class 3 data found on UK Link.

MP confirmed there is an outstanding question at DESC for Pre-Payment data access.

What is being done to improve the NDM modelling error - Slide 8

- The DESC workplan each year includes time put aside each Autumn/Winter to review areas of the Demand Modelling process which can be improved for the following year.
- This is referred to the ad-hoc workplan. This was last reviewed in October 2021 and the relevant information can be found here:
https://www.gasgovernance.co.uk/sites/default/files/ggf/2021-09/3.0%20Adhoc%20Workplan%20Update_DESC_061021_0.pdf
- In recent years this time has been used to:
 - Review and derive improvements to the Composite Weather Variable (CWV) formula (e.g. addition of Solar Radiation term) and update the Seasonal Normal basis
 - Increase the number of EUCs within Bands 1 and 2 to provide more suitable profiles
- This year DESC is reviewing the current set of 'holiday code rules' which are used to determine how the Gas Demand Profiles used in the NDM Algorithm will 'flex' during regular holiday periods such as Christmas/New Year, Easter, May Bank Holiday etc
- All the above are examples of seeking improvements in the levels of modelling error and thus reducing Reconciliation and Temporary UIG volumes
- In addition, UNC Workgroup 0754R - *Investigate Advanced Analytic Options to improve NDM Demand Modelling*, is looking at how the use of advanced analytics (e.g., machine learning) could be used to improve the accuracy of the NDM demand models working within the structure of the current NDM Algorithm (i.e. ALPs and DAFs).

When is NDM Modelling Error removed from UIG? - Slide 9

MP explained the chart shown on this slide, the Blue line is allocated 'temporary UIG' (i.e., at D+5), and the Red line is an estimated view of what the real UIG is post reconciliation (NDM, DM etc).

MP highlighted where the impacts of COVID-19 in March; April and May 2020 can be seen. This would be because the AQs were set too high for the actual consumption, and gas was not being used as much.

Regarding the spike that is shown in May 2021, MP advised he is confident that is due to Modelling Error, it was a particularly cold period, the model was under allocating which meant that the surplus became UIG.

Fiona Cottam (FC) clarified the spike shown in April 2018 is likely representing the Beast from the East where it was an unseasonably cold spring of 2018.

RHa thanked MP for his input.

Option Definition Table

GE explained the table is an attempt to start to decide the merits of various ways of tackling UIG.

Workgroup agreed the following categories and RHa made onscreen amendments to the table, the final update table:

Criteria against which to rate each option:

Polluter Pays (dynamic): Aimed at incentivising behavioural change (Modification 0229).

Feasibility: Can it be implemented and operated – is it straightforward

Drives Improvement: does it vary day by day in the year (not the same as predictability)

Year on Year stability:

Easy to explain: can you explain it easily to the customer (easier than the current UIG regime?)

Robust: Would something break if you had large swings. Could it cope with peaks and troughs (Covid, Unusual events)

Not likely to be continually challenged

Options:

1. **Uniform Allocation** - *This option would allocate UIG to all throughput equally.*

DMo wished to note: the vast majority of electricity losses are accounted for outside of Group Correction Factors (GCF - <https://www.elexon.co.uk/guidance-note/gsp-group-correction-factors-ggcf-gsp-group-correction/>).

FC advised that the original design of UIG was a “vanilla smear”, any splitting/weighting is not a form of Uniform Allocation.

Louise Hellyer (LH) added that Uniform Allocation could be based on meter point allocation, GE clarified it should be Uniform Allocation based on volume.

Workgroup Participants discussed and generally agreed on the following ratings:

Polluter Pays: LOW

Feasibility: HIGH

Drives Improvement: LOW

Year on Year stability: HIGH

Easy to explain: HIGH

Robust: HIGH

Not likely to be continually challenged: HIGH

2. **Static Model** - *The AUGE process would be discontinued and replaced with a static model that Xoserve would manage which would operate unchanged except via an industry process (e.g. UNC modification).*

GE confirmed there would be weighting factors within any static model.

MP suggested this could be managed a bit like the Seasonal Normal Review at DESC which is reviewed every 5 years.

However, if this were truly static, there would be no formal review of this year-on-year, it would be a standard methodology agreed initially with no formal way of changing it built in, a Modification would need to be raised to change the model.

Workgroup Participants discussed and generally agreed on the following ratings:

Polluter Pays: LOW

Feasibility: MEDIUM

Drives Improvement: LOW

Year on Year stability: HIGH

Easy to explain: HIGH

Robust: MEDIUM

Not likely to be continually challenged: LOW

Workgroup Participants discussed at length which criteria might be most important, with some believing that stability was the most important.

3. **Static Model (with regular audit)** - *The AUGE process would be discontinued and replaced with a static model that Xoserve would manage which would operate unchanged except via an industry process (e.g. UNC Code change). There would be a requirement for an annual audit.*

It was mentioned that the Static Model could be reviewed every 2-3 years, like RbD.

Polluter Pays: LOW

Feasibility: HIGH

Drives Improvement: LOW

Year on Year stability: **HIGH**
 Easy to explain: **HIGH**
 Robust: **MEDIUM**
 Not likely to be continually challenged: **MEDIUM**

Workgroup concluded that a way forward would be for GE to continue offline and make a suggested assessment against each option for review by Workgroup at the next meeting. Workgroup would agree ratings for the remaining options on the Option Definition Table at the next Workgroup meeting in February.

The next task would then be to decide which are most important. Then further work can be taken forward on the options which appear to be most likely to improve the status quo.

3.0 Next Steps

The next Workgroup will continue to complete the Option Definition Table.

4.0 Any Other Business

None.

5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 24 February 2022	5pm 15 February 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 24 March 2022	5pm 15 March 2022	Microsoft Teams	Standard Agenda

Action Table (as at 27 January 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No outstanding actions					

UNC Workgroup 0782 Minutes
Creation of Independent AUGÉ Assurer (IAA) role
Thursday 27 January 2022
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Claire Louise Roberts	(CLR)	Scottish Power
Dan Fittock	(DF)	Corona Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Guv Dosanjh	(GD)	Cadent
Hursley Moss	(HM)	Cornwall Insight
John Jones	(JJ)	ScottishPower
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyer	(LH)	Totalenergies Gas & Power
Oorlagh Chapman	(OC)	Centrica
Rhys Kealley	(RK)	British Gas
Robert Johnstone	(RJ)	Utilita
Steve Mulinganie	(SM)	Gazprom Energy
Tom Stuart	(TS)	Wales & West Utilities

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0782/270122>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 February 2022.

1.0 Introduction and Status Review

1.1. Approval of Minutes (25 November 2021)

RHa noted a small change had been submitted and showed a change marked version of the minutes, Workgroup approved the Minutes.

1.2. Approval of Late Papers

No late papers.

1.3. Review of Outstanding Actions

None to discuss

2.0 Initial Discussion

Gareth Evans (GE) provided the following update:

This Modification should now be deferred pending an update.

Xoserve are currently exploring whether they can effectively provide a Contract Manager service for the AUG. An update will be provided at the next AUG meeting which will be held on Friday 18 February 2022, until that update, GE advised he is unwilling to change the status of the Modification.

GE did clarify that ideally the Modification will be withdrawn and Xoserve can manage the contract successfully and transparently.

Therefore, GE is deferring a status change until after the next AUG meeting on 18 February 2022 where Xoserve will advise how they intend to do this and then determine what to do with the Modification from there.

2.1. Issues and Questions from Panel – Agenda item not discussed

2.1.1. Consider alignment of other work being carried out in respect of AUG process

2.2. The Framework for the Appointment of an Allocation of Unidentified Gas Expert can be found here: <https://www.gasgovernance.co.uk/tpdocs>.

2.3. Initial Representations

2.4. Terms of Reference

3.0 Amended Modification

The Modification has not been amended.

4.0 Development of Workgroup Report

This was not discussed at this meeting.

5.0 Next Steps

RHa confirmed the status of the Modification will be decided post 18 February 2022.

6.0 Any Other Business

None.

7.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
TBC			

Action Table (as at 31 January 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No outstanding actions					