

UNC Shrinkage Forum Minutes Wednesday 18 January 2023 via Microsoft Teams

Attendees

Yvonne Reid-Healy (Chair)	(YRH)	Joint Office
Vera Li (Secretary)	(VL)	Joint Office
Andy Gordon	(AG)	DNV
Ann Ward	(AW)	Cadent Gas
Colin Wainwright	(CW)	SGN
David Mitchell	(DC)	SGN
Fraser Williams	(FW)	SGN
Julie Chou	(JC)	Wales & West Utilities
Matt Marshall	(MM)	Cadent Gas
Paul O'Toole	(POT)	Northern Gas Networks
Peter Morgan	(PM)	SGN
Tom Stuart	(TS)	Wales & West Utilities

Shrinkage Forum meetings will be quorate where all four Distribution Networks and at least two Shippers are in attendance

Please note these minutes do not replicate detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: <https://www.gasgovernance.co.uk/sf/180123>

1.0 Introduction and Status Review

Yvonne Reid-Healy (YRH) welcomed all parties to the meeting.

1.1. Apologies of Absence & Note of Alternate

Apology received from Emma Buckton – Paul O'Toole as alternate.

1.2. Quoracy Status

There was no Shipper in attendance. The meeting was not quorate.

Chair confirmed with all attendees to continue meeting.

1.3. Approval of Minutes (23 November 2022)

The minutes of the previous meeting were approved.

1.4. Review of Outstanding Actions

Action 1101: All GDNs to advise if the OUG re-valuation is subject to independent validation and if so, how is it being evaluated.

Update: Emma Buckton (EB) (NGN) suggested this action should be carried forward until GDNs have their meeting with Ofgem at end of January. GDNs are seeking a steer from Ofgem regarding the need for an independent validation, and if deemed appropriate, any suggestions of how/who to approach. **Carried Forward**

Action 1102: GDNs to consider introducing Profiling into current Shrinkage and Leakage Model and whether this is feasible report in January 2023 Meeting.

Update: EB advised that GDNs have started to look at this back at the beginning of December and have a potential way of calculating shrinkage on a daily basis, based on the annual volumes they published. Cadent and NGN have started to work on this using actual daily demand data

to generate a profile to apply to the shrinkage volume. GDNs are keen to have Gregory Edwards close out action 1103 before they develop this any further, just to ensure they are on the right tract and fully understanding what GE asked for. **Carried Forward**

Action 1103: GE to provide some worked up examples to illustrate the impacts of using flat profiling and how this impacts Shippers.

Update: No update received from Gregory Edwards and not in attendance. **Carried Forward**

2.0 Specific Topics/Projects Update

2.1. Digital Platform for Leakage Analytics (DPLA) Update

Matt Marshall (MM) provided an update on the Digital Platform for Leakage Analytics (DPLA):

- Stakeholder engagement sessions have been arranged starting February with interested parties not directly involved in the project.
- Data extraction of static data, for example mains composition from our GIS systems, and real time data from telemetry, for example pressure readings, have been extracted.
- RFIs have been released to understand off the shelf availability of products that could supplement the final platform design.
- The project team are in Turin this week reviewing one of the key technologies (Picarro) that could be suitable for use with the DPLA.
- Moving towards the completion of the Alpha stage; outputs will be loaded on to the ENA Smarter Networks portal for any interested parties to view.
- Preparation work for developing the application for the Beta phase of the project is starting, with a deadline for submission in the latter weeks of March. The expectation is that the Beta phase will last 2 to 2 ½ years.

YRH queried if there will be a submission of the Beta phase to Ofgem. MM confirmed there will be a submission in March 2023 with an expected approval in June 2023.

YRH further asked how the risks will be managed across Networks. MM confirmed that there is a Risk Register for the existing Model but do not expect any risk.

YRH asked about the timeline. MM explained the Beta Phase should last 2 to 2 ½ years but could last up to 5 years.

YRH asked MM to share the timeline with the Forum at the March 2023 meeting (if it is not sensitive information).

2.2. Own Use Gas (OUG) Update

Andy Gordon (AG) of DNV provided an update on Own Use Gas (OUG) and presented the Pre-Heater SCADA and Consumption Data update with the presentation pack published here <https://www.gasgovernance.co.uk/sf/180123>.

AG advised Data in this presentation pack is up to date. Data has been received from NGN, SGN and WWU. In order to assess model accuracy, both the SCADA data and the usable pre-heater consumption data in order to calculate model error. The total sample size with both data sets received from the Networks is 19.

AG explained how they used the data from the 19 sites to carry out the Confidence Calculation. The larger sample size will give higher confidence in the estimated model error and vice versa; and provide more certainty.

AG further explained how they calculate the confidence of the 19 sites which gives 67.8% confidence. AG presented the confidence scores for a range of sample sizes for comparison. AG noted that to achieve confidence of 91% to 95% this would require a sample size of 200 to 500, whilst 37% to 55% would only need 5 extra sites.

- Confidence scores for a range of sample sizes for comparison

Sample Size	Confidence
2	0.0%
5	36.8%
10	55.4%
19	67.8%
35	76.4%
50	80.4%
100	86.4%
200	90.8%
500	95.0%
All	100.0%

AG confirmed that further SCADA data has now been received from Cadent Gas and are in a better position to carry out tasks using the necessary data, and that DNV are waiting for instruction to proceed.

Julie Chou (JC) asked how this compares with the tests done from the original model. AG advised that he needed to check, as he was unable to tell at this time.

All Networks agreed to provide more valid data and AG confirmed the more data received will increase confidence.

2.3. Shrinkage Profiling

Due to the absence of Gregory Edwards (GE) there is no further update on the Shrinkage Profiling (Action 1103). However, all Transporters stated they are interested to understand what the parameters of Shrinkage Profiling are and for GE to define what Shippers need from DNs so they could look into a better way of calculating Shrinkage volumes.

3.0 Any Other Business

3.1. Terms of Reference (ToR)

Peter Morgan presented the updated Terms of Reference for review.

It was noted that there were two contradictory statements found in the current (Old) version, detailed below:

1. *Other than by exception, meetings will be held via teleconference. Should any interested party feel that a face-to-face meeting is required, this should be arranged at the preceding Shrinkage Forum or at least 1 calendar month in advance of the proposed meeting date.*
2. *Although teleconference facilities will be made available for all Shrinkage Forum meetings, it is expected that members should attend face to face meetings in person, other than by exception.*

The key changes to the updated version were:

- Version number updated to Version 3.
- Date of publication changed to 19 January 2023.
- Statement 2 above had been removed from the document.

Yvonne Reid-Healy (YRH) asked attendees for their approval of the revised document. No objections received.

New Action 0101: Joint Office (VL) to publish the New Terms of Reference on 19 January 2023.

Post meeting Note: Completed on 19 January 2023

3.2. Distribution List

Peter Morgan (SGN), Matt Marshall (Cadent) and Julie Chou (WWU) asked to be added on to the Distribution List to receive invitations to future Forums.

New Action 0102: Joint Office (VL) to check and update the Meeting Notices Distribution List.

Post Meeting Note: Completed on 19 January 2023

3.3. Shrinkage Briefing Pack (Joint GDN) _RIIO-2

Colin Wainwright (CW) confirmed the Shrinkage Briefing Pack on RIIO-2 has been published on 13 January 2023 at: <https://www.gasgovernance.co.uk/SF>

4.0 Diary Planning

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

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
09:30, Wednesday 22 March 2023	17:00 Monday 13 March 2023	Teams Meeting	Standard Workgroup Agenda
09:30 Wednesday 20 September 2023	17:00 Monday 11 September 2023	Team Meeting	Standard Workgroup Agenda
09:30 Wednesday 22 November 2023	17:00 Monday 13 November 2023	Team Meeting	Standard Workgroup Agenda

Action Table (as at 18 January 2023)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update	Due Date
1101	23/11/22	2.2	All GDNs to advise if the OUG re-valuation is subject to independent validation and if so, how is it being evaluated.	All GDNs	Carried Forward	March 2023
1102	23/11/22	2.3	GDNs to consider introducing Profiling into current Shrinkage and Leakage Model and whether this is feasible report in January 2023 Meeting.	All GDNs	Carried Forward	March 2023
1103	23/11/22	2.3	GE to provide some worked up examples to illustrate the impacts of using flat profiling and how this impacts Shippers	Centrica (GE)	Carried Forward	March 2023
0101	18/01/23	3.1	Joint Office (VL) to publish the New Terms of Reference on 19 January 2023.	Joint Office (VL)	Pending	Jan 2023

Action Table (as at 18 January 2023)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update	Due Date
0102	18/01/23	3.2	Joint Office to check and update the Meeting Notices Distribution List.	Joint Office (VL)	Pending	Jan 2023