

UNCC AUG Sub-Committee

Friday 14 February 2020

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

| | | |
|-----------------------------|------|-----------------------|
| Bob Fletcher (Chair) | (BF) | Joint Office |
| Mike Berrisford (Secretary) | (MB) | Joint Office |
| Andy Gordon | (AG) | DNV-GL |
| Chandima Dutton* | (CD) | Waters Wye Associates |
| Clive Whitehand* | (CW) | DNV-GL |
| Fiona Cottam | (FC) | Xoserve |
| Louise Hellyer | (LH) | Total Gas & Power |
| Mark Bellman | (MB) | ScottishPower |
| Mark Jones* | (MJ) | SSE |
| Mark Palmer* | (MP) | Orsted |
| Neil Cole | (NC) | Xoserve |
| Rhys Kealley | (RK) | British Gas |
| Tony Perchard* | (TP) | DNV-GL |
| Steve Mulinganie | (SM) | Gazprom |

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/aug/140220>

1.0 Introduction

Bob Fletcher (BF) welcomed everyone to the meeting.

1.1. Approval of Minutes (10 January 2020)

The minutes from both meetings were approved.

2.0 Review of Outstanding Actions

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

Update: When SM explained that he had written to the SPAA in order to initiate the MAMCoP discussions, it was agreed to carry forward the action. **Carried Forward**

Action 0101: Reference Implementation Timescales – Any parties that feel the new EUC splits for EUC Bands 1&2 should be included in the AUG Statement (Table) which will apply from October 2020 - contact Joint Office as soon as possible and provide the reasoning as to their preference for 2020 over 2021.

Update: When BF pointed out that the Joint Office had not received any additional responses to date, AG advised that DNV-GL had already provided its response at a previous meeting. When asked, AG confirmed that DNV-GL had not carried out an Impact Assessment of potential EUC impacts, even though it is felt that any impacts could potentially be material in nature. **Closed**

Action 0102: Reference LDZ Level Factors Change Control – DNV-GL (TP) to raise a change control to carry out the work required to calculate factors at LDZ level (to feed into the Review Group for review ahead of any potential implementation).

Update: It was noted that an update on this action had been provided in the form of a post meeting update included within the January meeting minutes. **Closed**

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: TP advised that whilst consideration is underway in relation to this action, due to the tight timescales involved, actual work would not be expected to commence until after the end of the AUG Year (which closes the end of April).

It was agreed to review the action at the May 2020 meeting. **Carried Forward**

3.0 AUGS 2020/2021 – Consideration of Consultation Responses and Feedback

AG provided a brief overview of the 'AUG UNCC Sub-Committee – Proposed AUGS Consultation Responses' presentation during which the main discussion points were captured (by exception) as follows:

AUG Expert Framework slide

As far as the review of the AUG Statement and Table is concerned and in light of comments received to date, (further) work is expected to commence following this meeting.

Theft slides

Whilst reviewing the comments provided within the Centrica (British Gas) response, AG advised that the AUGS recognises that further 'matching rate' discussions with interested parties would be beneficial, at which point SM noted that to date, discussions with Theft Issues Group (TIG) had proven difficult, especially as individual parties would prefer the information to be provided to the AUGS sooner, rather than later. Responding, FC pointed out that when she had listened in on the TIG discussions, it appeared to reveal that there was a reluctance on the part of individual parties to provide the information. FC reminded those in attendance that regardless, the decision rests with the AUGS on how best to utilise any information provided.

When asked how matters were progressing with regards to provision of data from the TIG discussions, AG advised that in essence the AUGS had inadvertently fallen foul of the (TIG) rules (i.e. they were circa 3 days later than the 7 day window in looking to provide the papers in a timely manner) around providing meeting papers / materials which means that these would now be provided in time for consideration at the next available TIG meeting.

In debating whether it should be the TIG's role to 'impose' conditions around the provision of information in such a way, FC suggested that hopefully the analysis phase that has now been proposed should help to reassure TIG parties that provision of the information (being requested from them) should be acceptable.

At this point SM pointed out that the SPAA consultation on the future of TRAS is already underway and is due to close on 03 April 2020, which means that things could change anyway in future which could also potentially impact the AUGS's considerations. Responding, AG advised that the AUGS are keen to include the data within their figures, although only a small window of opportunity remains, as time is of a premium.

SM also suggested that it should be noted that the SPAA are looking to shut down (non-essential) changes as part of the transition to the REC regime.

Moving on, AG confirmed that there is not a single product rate calculated for SMART meters but are rather included already within the Product Class calculations. It was also acknowledged that individual company strategies vary.

Discussions then focused on the utilisation of unbiased data sources whereupon AG advised that as far as the question of credit meter sites being included within the PC3 band, it appears to be clear that *UNC Modification 0664 'Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4'* are not necessarily being adhered to – it was noted that until the modification is implemented, there is no obligation on parties to comply with its provisions. He then went on to point out that as far as the PC3/PC4 differences in

variability within the data set are concerned, these may be due to the relatively low sample size available, at this point in time.

During the course of the meeting, AG provided the following additional update relating to the details surrounding the five (5) confirmed thefts from Product Class 3 that are present within the TRAS Outcome Files, as follows:

“Four of these thefts have assessed losses between 25,000 and 30,000 kWh. All of these were active for approximately 2 years, making them consistent with the sites having an AQ of around 15,000 kWh. This AQ would be typical of larger domestic sites such as 3-4 bed detached or semi-detached properties. The last theft has an assessed loss of around 5,000 kWh and was active for a shorter period of time. It can therefore be seen that none of these thefts is atypically large and hence that isn’t the cause of the “kWh per theft” figure currently being higher for Smart Meters in PC3 than Smart Meters in PC4. An additional year of TRAS data will be available for next year’s UIG calculations, giving a larger sample size and hence more confidence in the kWh figures.”

Moving on to consider the bullet point which refers to the 523 SMART meter thefts statement highlighted within the Energy UK response, AG acknowledged that this could well relate to a potential wording issue within the AUGS statement which is open to differing interpretation, before then explaining that the AUGS would be looking to refine the statement in order to better aid clarity going forwards.

Whilst briefly examining the ‘Percentage of Theft Detections vs Year Number’ graph, AG pointed out that the information is based on circa 45000 data points and that SMART meter data points are relatively young in age terms.

UIG Factor Smoothing slides

AG opened discussions on these slides by accepting that as far as the EUC band 8 information was concerned, he had inadvertently made an error.

In considering whether the utilisation of standard correction factors is the cause of higher UIG factors in Product Class 3 than Product Class 4 for some EUC’s, AG advised that this is due to there being a higher proportion of EUC 05B+ sites with standard conversion factors in Product Class 3 than in Product Class 4.

In noting that *UNC Modification 0681S ‘Improvements to the quality of the Conversion Factor values held on the Supply Point Register’* provisions might impact upon the distribution of standard conversion factors (CF’s), FC pointed out that non-standard CF’s might not be available for all sites over 732,000 kWh, so the Modification might not correct all errors. However it should correct any remaining non-standard CFs below that threshold.

Changes to UIG Factors slides

In noting that some factor changes could be expected, AG explained that whilst the ‘final’ data population cuts are being analysed right now, it is not expected that there would be a significant change to the previous analysis (i.e. difference is anticipated to be in the range of +/- 5% and not +/- 10% as first feared).

FC requested that should any parties be looking to undertake large Product Class changes (movements) (i.e. PC 3 to PC4, or the reverse), they initially discuss the matter with their respective Xoserve (CAMs) contacts who will be able to assist – in short, early warning of such prospective changes is highly beneficial.

When asked whether the introduction of a second consultation period into the process would require a change to the AUGS Framework via a UNC Modification, FC responded by pointing out that as far as changes to the Framework document are concerned, it is deemed to be a UNC Related Document and as a consequence, any changes (to the document) are via the Uniform Network Code Committee (UNCC) approval process. AG then advised that it is the AUGS’s aim to publish the consultation feedback and AUGS responses early in week commencing Monday 17 February 2020.

Data Status – Outstanding Issues slide

In providing a brief overview of this slide, TP explained that discussions with Xoserve (NC) remain ongoing with the aim being to resolve the issues in time for inclusion within a modified AUGS in due course. Providing additional clarity, FC explained that pre-Nexus data splits on

off-line adjustments were at a lower level of detail, which was of use to the AUGÉ. Post-Nexus the invoicing systems only requires a total value. Xoserve is working to obtain a breakdown of the energy by day month of Gas Year to assist the AUGÉ.

NC advised that an update on the unregistered sites on know CSEPs is due to be released in week commencing Monday 17 February 2020.

In considering the data requested from IGTs bullet, it was noted that to date the response had not been overwhelming and as a consequence, the AUGÉ had now sent a **more formal** data request, supported by an accompanying timeline.

Next Steps slide

It was noted that the LDZ related information work remains ongoing with the aim being to provide the information to the CDSP (Xoserve) by the end of week commencing Monday 17 February 2020.

4.0 Any Other Business

4.1. Right of Appeal

In referring to the Centrica (British Gas) response letter (*please refer to item 6. Stability between draft and final versions statements*) provided under item 3.0 above, parties in attendance debated whether (or not), there is a suitable ‘Right of Appeal’ mechanism.

Responding to the comments being tabled, both AG and TP explained that in its presentation recommendations DNV-GL had endeavoured to address all of the points raised by Centrica and that at some point in the near future, they would present the AUG Statement at which point all parties would be able to respond and put their points forward (in essence, appeal the statement).

When challenged as to whether this means that in fact there is no formal appeals mechanism, FC responded by explaining how any changes to the Final published AUG Table requires a unanimous decision to enact. BF pointed out that wider ranging changes outside this sphere would require a UNC Modification to be raised, e.g. a one-off Modification to set aside or amend the outcome of this year’s process.

5.0 Next Steps

BF summarised the next steps:

- AUG Expert to prepare a modified AUGS and Table by 05 March 2020;
- AUG Expert to publish its replies to the consultation responses shortly, and
- Provide an AUG Expert’s assessment on how each issue would potentially be treated going forwards.

6.0 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 | AUG Sub-Committee Agenda |
|-----------------------------|---|----------------------------|
| 10:30 Friday 13 March 2020 | Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA | Agenda items to be agreed. |
| 10:30 Tuesday 07 April 2020 | Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA | Agenda items to be agreed. |

Action Table (as at 14 February 2020)

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|------------|--------------|------------|---|---------------------|---|
| 0903 | 30/09/19 | 3.0 | Gazprom (SM) to facilitate conversation between AUGS and MAMs regarding meter maintenance and site-specific conversion factors. | Gazprom (SM) | Carried Forward |
| 0101 | 10/01/20 | 3.0 | <i>Implementation Timescales:</i> Any parties that feel the new EUC splits for EUC Bands 1&2 should be included in the AUG Statement (Table) which will apply from October 2020 - contact Joint Office as soon as possible and provide the reasoning as to their preference for 2020 over 2021. | All | Update provided. Closed |
| 0102 | 10/01/20 | 3.0 | <i>LDZ Level Factors change Control:</i> DNV-GL to raise a change control to carry out the work required to calculate factors at LDZ level (to feed into the Review Group for review ahead of any potential implementation. | DNV-GL | Update provided. Closed |
| 0104 | 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 |