

**UNC Workgroup 0851R Minutes  
Extending the Annually Read PC4 Supply Meter Point (SMP) read  
submission window**

**Monday 11 December 2023**

**via Microsoft Teams**

**Attendees**

Rebecca Hailes (Chair)	(RHa)	Joint Office
Nikita Bagga (Secretary)	(NB)	Joint Office
Andy Clasper	(AC)	details
Charlotte Gilbert	(CG)	BU-UK
Conor Adams	(CA)	Scottish Power
Dan Simons	(DS)	Joint Office
David Mitchell	(DMi)	SGN
David Morley	(DMo)	Ovo
Edward Allard	(EA)	Cadent
Ellie Rogers	(ER)	CDSP (Xoserve)
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HB)	PAFA/Gemserv
James Lomax	(JLo)	Cornwall Insight
Kathryn Adeseye	(KA)	CDSP (Xoserve)
Lee Greenwood	(LG)	Centrica
Linda Hannaby-Doyle	(LHD)	Scottish Power
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Marina Papathoma	(MP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TS)	Wales & West Utilities

*This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.*

*Please note these minutes do not replicate/include 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 all papers are available at: <https://www.gasgovernance.co.uk/0851/111223>*

*The Workgroup Report is due to be presented at the UNC Modification Panel by 18 July 2024*

## **1.0 Outline of Request**

Rebecca Hailes (RHa) invited the Proposer to explain the aim of the Review. David Morley (DMo) accordingly presented a series of slides to the Review Group, a copy of which can be found at <http://www.gasgovernance.co.uk/0851/231123> and as such their content is not replicated here.

### **1.1 Approval of Minutes (23 November 2023)**

The minutes from 23 November 2023 were approved.

### **1.2 Approval of late papers**

DMo apologised for providing the presentation slides late. CDSP had agreed to a later-than-normal submission date with the Joint Office at November Workgroup and would not be treated as a late paper due to the quick turnaround between November and December Workgroups relating to Action 0211.

Workgroup participants agreed to consider both documents.

### **Review Outstanding Actions**

Action 0111: PAFA (AJ) to obtain PAC views on possible actions related to this Review group and on what they would wish to contribute

Update: Helen Bevan (HB) advised that this is due to be presented to PAC tomorrow with further information expected in January 2024.

### **Carried Forward.**

Action 0211: Xoserve (FC/ER) to ensure nothing is fundamentally tied to the 25 SPSBD window stop.

Update: Slide deck provided by CDSP. The Workgroup discussed this Action in detail at points 2 and 3 below.

### **Closed.**

## **2.0 Consider Solution Options**

DMo presented the Proposed Solution options to the Workgroup advising that the changes he had made are simple and that the only viable solution is to expand the SMP read submission window.

DMo advised that the 80 day option aligns with the electricity market-wide timetables which will be implemented. The impact of the 80 days is not fully understood at this stage in terms of increased volumes. A view from PAC underpinned by data from CDSP will need to be obtained on this. The Workgroup discussed what additional data would be required for visibility and it was clarified that this would be requested from PAC. DMO discussed the use of staggered benchmarks as an appropriate assurance technique to ensure the Modification is satisfied.

Fiona Cottam (FC) raised to the Workgroup the current wording of the Code TPD Section M 5.9.4 and the impact this would have. At present, the Code is drafted to state “100% of readings submitted” which is actually qualified as 100% of what has been obtained. Therefore, if looking at a percentage of these readings, the percentage of the readings obtained will be unknown until the end. It is based on what is obtained. The wording will therefore need to be amended and considered by PAC.

The Propser showed the proposed Business Rules/updates to Code:

“5.9.3 Each User shall use best endeavours to comply with the requirements in paragraph 5.9.4.

5.9.4 The requirement referred to in paragraph 5.9.3 is that, of the Valid Meter Readings obtained by a User pursuant to paragraphs 5.9.7 to 5.9.12 in respect of Relevant Class 4 Supply Meters on any particular Day:

(a) not less than 50% are submitted by the 10th Supply Point Systems Business Day after the Read Date;

(b) not less than 100% are submitted by the 25[60]th Supply Point Systems Business Day after the Read Date and the CDSP shall notify each User of its performance in such respect.”

DMo further raised that PAC may wish to consider whether they want further layers in relation to the staggered benchmarks (in addition to the two shown above). The feedback from PAC can be used as a consideration for the Modification.

**New Action 0112:** PAC to consider whether they want staggered benchmarks and if so, does the suggestion on the slide 5 work for PAC? If not, can PAC suggest anything else. Consideration of wording in TPD Section M 5.9.4.

DMo went on to discuss the outstanding questions in relation to the Proposed Solution, in particular discussing the move from 15 SPSBD to 25 SPSBD and the justification for this.

The CDSP explained that due to the length of time since the 15 SPSBD was amended to 25 SPSBD (c10 years ago), information on the rationale behind this change is not available. At a very high level, this change was carried out as the industry wished to increase the read submission window and 25 SPSBD was considered an appropriate increase to the existing read submission window of 15 SPSBD.”

“CDSP advised that the capacity and capabilities of their systems are based on the customer requirements provided by the industry at the time the systems were originally developed. Any subsequent enhancements to the CDSP’s systems are tailored in line with customer requirements as they evolve.”

RHa requested further information to be obtained from the customers in relation to Shippers withholding reads. There was discussion about whether E.On would be able to provide further detail on withholding reads and SM is to consider making contact to obtain this information. In fact all Shippers should be invited to submit information if they are able.

Please refer to the presentation slides published for further details.

### 3.0 Review Discussion

The Workgroup discussed the 25 SPSBDs period in which Shipper Members have to submit their readings. There appeared to be concerns surrounding this period not being long enough and an extended period to be discussed and agreed upon amongst the Workgroup in the event further reads can be loaded to enable reconciliation.

FC provided an overview to the Workgroup, discussing the reconciliation process in relation to reads submitted, advising that [60] is only an illustration at this stage and this extended period is to be agreed upon, further noting that this would cause delays to the reconciliation charges.

The Workgroup discussed the periods of risk and the ability to allow time for a further site visit to obtain a meter reading, if necessary.

Louise Hellyer (LH) put forward the idea of aligning with the invoice cut-off dates and working backwards from this date to ensure that the Shipper Members are not entering into Month +4. The issue regarding bank holidays was raised to keep in mind as these will affect the submission deadlines for the reads in line with the reconciliation process.

The idea of aligning with the settlement timetables was put forward to the Workgroup however it was discussed that this may add an additional layer of complexity. The extension period will need to strike a balance between extending as far as necessary but no more than necessary.

Steve Mulinganie (SM) advised that the purpose is to obtain as many reads as possible to ensure the accuracy of the settlement.

Lee Greenwood (LG) suggested to the Workgroup the option of writing out to Shipper Members and suppliers to obtain their views. HB advised that this point will be discussed with PAC tomorrow and if PAC can use information it already has or obtain further information through an RFI this may be the best method.

FC informed the Workgroup that in the event of delays regarding the submission of reads, this will have no effect on the reconciliation **value**. For example, if the read is not processed until Month +4 instead of Month +3, the apportionment of the energy and the financial value will remain the same. In this example, the Month +4 rates will not be applied to alter the financial value. The idea is that it will still go through the UIG reconciliation process and will go into the 12-month sharing pot.

The amendment invoice is cash-neutral from an energy point of view and there will not be an impact on the cash flow.

FC drew attention to the AQ Calculation Process slide, explaining this process focuses on the month-end reads where a peak is usually seen. This AQ Process is due to go live in May 2024 due to the cycle of calculation, NRL files, notification process and window for the AQ corrections. The risk associated with this process relates to an individual risk with a knock on effect to industry processes.

DMo discussed the staggered benchmarks, explaining that it should encourage a majority of reads to be submitted at the front end of the window which is extended to allow for any issues which may arise, to be resolved.

The impact of a late AQ Process would affect timing, with FC advising that the next time a meter reading is obtained, a meter point reconciliation would also be received. This would need to be corrected through the reconciliation process.

FC informed the Workgroup, in relation to the PAC meeting which is due to go ahead tomorrow, that a more detailed presentation would be provided. PAC will need to track the Modification and review the requirements and timetable for reporting if it is to be extended. The increase of checkpoints/benchmarks will mean more analysis to apply performance assurance techniques. Benchmarks will be used as data will not be available until a later point in time.

RHa asked what the effect on the Winter Annual Ratio (WAR) Band calculations would be. Please refer to slide 8 of the CDSP Presentation for Action 0211 for further information. FC advised that the recommendations are unlikely to improve the WAR Bands situation due to the timing of when calculations need to happen. For example, if the reads are not obtained within the 25 SPSBD window, there is a risk of a good read potentially going to waste from a WAR Bands point of view (a pair of reads from Nov/Dec and Mar/April are required to calculate the appropriate WR band for a site's consumption pattern). This will be covered further in the training materials. The impact will be based on the change of behaviour of individuals. The level of risk will be monitored based on these changes in behaviour.

FC discussed the ability to submit a further read within the 25 SPSBD window. This will still have to pass the validation check but will be possible even in the event of a change in Shipper.

The relevant clause within the UNC would need to be located and updated. DMO advised he would look into this.

In relation to the Must-Reads, FC suggested writing out to Transporter Members to obtain their opinion on the 25 SPSBD, which the UK Link currently awaits before calculating the reconciliation so it can be used in the profiling of energy. ER highlighted that in relation to IGTs, if a Must-Read is triggered, and this is obtained by IGT once the window has passed, this will therefore negate the need for Shipper Members to pay, as the read would be considered unusable due to missing the deadline.

**New Action 0212:** CDSP to consider what the optimal supply point business days is such that the impact is to only extend by one month's cycle. What is the sweet spot?

ER advised that the figures on the reads had now been obtained, stating that an average of 4.4 million are received on a daily basis. The UK Link Manual states that the maximum peak is 32 million however this has not been reached yet. There were 4 occasions where the average was above 10 million, but never 11 million. RHa requested for the slide with these additional figures to be shared by ER.

Please refer to the presentation slides published for further detail.

<https://www.gasgovernance.co.uk/0851/111223>

#### 4.0 Next Steps

RHa confirmed the next steps are:

- Awaiting input from PAC regarding staggered benchmarks;
- Awaiting action updates from anything outstanding – Shipper, PAC, CDSP; and
- Awaiting impact from PAC and whether they would put out another RFI to obtain further information in relation to Action 0111 and Action 0411.

#### 5.0 Any Other Business

No other business was raised.

#### 6.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 25 January 2024	5 pm 17 January 2024	Microsoft Teams	<ul style="list-style-type: none"> <li>• Consider options presented in light of CDSP feedback</li> <li>• Assessment of any data available and any further data required</li> <li>• Workgroup assessment of options for a Modification</li> </ul>

**0851R Workgroup Action Table**

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0111	23-Nov-23	1	PAFA (AJ) to obtain PAC views on possible actions related to this Review group and on what they would wish to contribute.	January 24	PAFA (AJ)	Carried Forward
0211	23-Nov-23	1	Xoserve (FC/ER) to ensure nothing is fundamentally tied to the 25 SPSBD window stop	December 23	CDSP (FC/ER)	Closed

<b>0851R Workgroup Action Table</b>						
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<b>0311</b>	23-Nov-23	1	(Shippers) To confirm if they hold back meter reads that they anticipate won't meet the valid read criteria.	December 23	Shippers	<b>Pending</b>
<b>0411</b>	23-Nov-23	1	PAFA (AJ) to review PAC RFI data and ascertain if sufficient detail for Review purposes. If not ask if PAC would issue an RFI on behalf of the Review Group.	January 24	PAFA (AJ)	<b>Pending</b>
<b>0112</b>	11-Dec-23	2	PAC to consider whether they want staggered benchmarks and if so, does the suggestion on the slide 5 work for PAC? If not, can PAC suggest anything else. Consideration of wording in TPD Section M 5.9.4.	December 23	PAC	<b>Pending</b>
<b>0212</b>	11-Dec-23	3	CDSP to consider what the optimal supply point business days is such that the impact is to only extend by one month's cycle. What is the sweet spot?	December 23	CDSP	<b>Pending</b>