

UNCC AUG Sub-Committee
Monday 16 December 2019
Via Teleconference

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Lorraine O'Shaughnessy	(LOS)	Joint Office
Andy Gordon	(AG)	DNV-GL
Chandima Dutton	(CD)	Waters Wye Associates
Gareth Evans	(GE)	Waters Wye Associates
Luke Reeves	(LR)	EDF Energy
Fiona Cottam	(FC)	Xoserve
Mark Bellman	(MB)	Scottish Power
Neil Cole	(NC)	Xoserve
Steve Mulinganie	(SM)	Gazprom
Rhys Kealley	(RK)	British Gas
Sallyann Blackett	(SB)	E.ON

Copies of all papers are available at: <https://www.gasgovernance.co.uk/aug/161219>

1.0 Introduction

Alan Raper (AR) welcomed everyone to the meeting.

1.1. Approval of Minutes (30 September 2019)

This agenda item was deferred to the January meeting.

2.0 Review of Outstanding Actions

Discussion of this agenda item was deferred to the January meeting.

3.0 UIG LDZ Factors Impact Assessment

Andy Gordon (AG) introduced this agenda item confirming that it relates to the draft discussion paper titled "Impact Assessment of LDZ Level UIG Factors". He reminded the Committee that CDSP invited feedback in terms of the impact on the CDSP and code parties to inform costs and the timescales for potential implementation and an opportunity to highlight anything DNV-GL may have missed.

AG stated that the paper highlights the proposed analysis and confirms that the factor calculations will have to be updated to accept this new level of data and produce 13 sets of factors instead of one. Factor smoothing and quality assurance will have to be carried out on all 13 sets. The AUG estimate that this will take a total of 20 FTE-days effort to develop the modelling and initially implement and then up to a further 5 FTE-days effort per year thereafter to produce the larger set of factors and undertake the quality checks.

He added that there is likely to be a significant implementation cost for the CDSP as the settlement system will need to be updated to hold 13 tables of factors instead of one.

At the time of production of the paper, DNV-GL were not able to include the likely impact considerations but can confirm that the 2 main factors are gas temperature and theft.

In relation to theft data, this has now become available since the paper was published allowing DNV-GL to undertake an order of magnitude analysis.

Steve Mulinganie (SM) expressed some concern that this critical piece of information was missing from the paper and asked if this information could now be added to the paper.

AG confirmed that an updated version of the document could be provided to include the new theft data.

AG indicated that the AUGE were not in a position to undertake the full analysis but had been able to split out the major components that will differ LDZ by LDZ.

The analysis indicates that the vast majority of the UIG is in relation to Product Class 4 O1B with the rest smeared across adjacent EUC categories. The AUGE looked at the range across LDZs indicating that the proportion in PC4O1B was in the range 80% to 95%. He added that the impact on LDZ specific factors could change by up to 20%.

This initial analysis in the AUGE's view justifies going ahead with the planned work as it corresponds to a significant amount of UIG. AG highlighted that in terms of relative impact, theft has the largest impact.

The proportions of the two factors impacting UIG are approximately 75% is theft related and the remaining 25% is pressure and temperature.

In response, to a question about the percentage spread by LDZ, AG reiterated that the AUGE have only been able to undertake order of magnitude analysis.

AR asked if the high-level order of magnitude is sufficient to allow the CDSP to assess the impact on systems. Fiona Cottam (FC) confirmed that the pattern of spread was more important than the actual numbers to assess the impact. She believed that CDSP systems were capable of including the factors at LDZ level. She also indicated that it would be sensible for the CDSP to undertake some testing which they will perform in parallel when the analysis is available from the AUGE.

SM highlighted that as any change will require a UNC Modification the paper, should clearly reflect the views of the CDSP and the cost of delivering the solution.

FC reminded the Committee that there might be some impact on some Shipper systems and stressed the need to raise awareness across the Shipper community of the potential costs and the timeframe for implementation.

The Committee were in broad agreement that the paper should acknowledge and reference all the likely system impacts.

A brief discussion then took place in relation to the decision for the AUGE to proceed with the 20 days work required for the theft analysis. FC confirmed that whilst Xoserve manage the AUGE contract and can prioritise the budget spend to areas of work that is needed any work undertaken in advance of a UNC Modification is carried out at the risk of Xoserve.

In relation to timescales, FC pointed out the statement in the conclusions/recommendations section of the paper suggesting that this is planned for the 2020/21 factor analysis and asked if this was realistic? SM suggested that more realistic timescale would be 2021/22.

AR concluded the discussion of this item by stating that the next steps are for the AUGE to provide a revised paper for discussion at the next meeting on 10 January 2020 and the Committee would need to make a decision to commission LDZ factor validation analysis by DNV-GL.

New Action 1201: DNV-GL (AG) to update the Impact Assessment of LDZ Level UIG Factors paper with the theft data analysis and circulate to industry. The paper to also include a brief description of the high-level methodology used to undertake the analysis and the timescales.

4.0 Any Other Business

4.1. Theft Issues Group

Rhys Kealley (RK) provided feedback from the Theft Issues Group (TIG) in relation to the AUGE request for information for full qualified TRAS outliers dataset.

RK wanted to know what the AUGE next steps are as TIG had raised concerns about the credibility of the data.

AG advised that the TIG had raised concerns over the level of distortion in the full qualified outlier dataset, given that it is reliant on Supplier-provided consumption files, which have sometimes proved unreliable.

They have jointly agreed that the AUGE would use the same theft investigation data as last year for the purposes of this year's allocation table. Separately, the AUGE will assess the full qualified outlier dataset, and advise on whether it can be used to remove bias in the theft investigation data. If so, this data will feed into next year's allocation table (2021/22).

AG added that the only a partial dataset had been received from TIG and the AUGE would be undertaken some fitness for purpose checks before sharing the data with industry.

5.0 Next Steps

This was covered as part of agenda item 3.0

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 10 January 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Agenda items to be agreed.

Action Table (as at 16 December 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	30/09/19	3.0	Xoserve (FC) to chase Electralink for gas theft data.	Xoserve (FC)	Pending
0902	30/09/19	3.0	Xoserve (FC) to provide a copy of the domestic temperature study to AUGE.	Xoserve (FC)	Pending
0903	30/09/19	3.0	Gazprom (SM) to facilitate conversation between AUGE and MAMs regarding	Gazprom (SM)	Pending

Action Table (as at 16 December 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			meter maintenance and site-specific conversion factors.		
0904	30/09/19	3.0	The AUGE (CW) and Xoserve (FC) to look at producing a workplan for the AUGE to identify process improvements and a cost benefit analysis for publishing a draft paper on LDZ specific factors.	Xoserve (FC) DNV-GL (CW)	Pending
0905	30/09/19	6.0	Joint Office to organise a meeting to discuss LDZ specifics Draft Paper.	Joint Office	Closed
1201	16/12/19		DNV-GL (AG) to update the Impact Assessment of LDZ Level UIG Factors paper with the theft data analysis and circulate to industry. The paper to also include a brief description of the high-level methodology used to undertake the analysis and the timescales.	DNV-GL (AG)	Pending