

UNC Workgroup 0664 Minutes
Transfer of Sites with Low Read Submission Performance from
Class 2 and 3 into Class 4
Tuesday 22 January 2019
at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Alexander Mann*	(AM)	Gazprom
Andy Clasper	(AC)	Cadent
Carl Whitehouse*	(CWh)	First Utility
Emma Smith	(ESm)	Xoserve
Fiona Cottam	(FC)	Xoserve
John Welch	(JW)	npower
Kirsty Dudley*	(KD)	E.ON
Leanne Jackson	(LJ)	Xoserve
Lorna Lewin*	(LL)	Orsted
Louise Hellyer	(LH)	Total Gas & Power
Luke Reeves*	(LR)	EDF Energy
Mark Bellman	(MB)	ScottishPower
Mark Jones *	(MJ)	SSE
Mark Palmer*	(MP)	Orsted
Sallyann Blackett	(SB)	E.ON
Shaneeni Vekaria	(SV)	Utility Warehouse
Steven Britton*	(SB)	Cornwall
Tracey Saunders	(TS)	Northern Gas Networks

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0664/071218

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 March 2019.

1.0 Introduction and Status Review

1.1. Approval of Minutes (07 December 2018)

The minutes from the previous meeting were approved.

2.0 Amended Modification

John Welch (JW) talked through the changes made to the Modification, since the last Workgroup meeting and is published here: <http://www.gasgovernance.co.uk/0664/>

He said he wanted to discuss the overall Modification with the Workgroup to ascertain if this was the desired requirement as had wondered if PAC reporting was sufficient on its own. He further reiterated the performance criteria with reference to new entrant Shippers and the 3-month window whereby the Shipper must meet 50% read submission performance and

confirmed that the same measurement was used for Class 2 and Class 3, but the way the reads were submitted differed between the two Classes.

The Workgroup discussed the suggested targets of the 97.5% and 50% in relation to the 'soft landing' approach of the initial 50%. Mark Bellman (MB) said that if the Shipper was able to meet the required target then that was satisfactory, however if this was not the case, and he said speaking as a Performance Assurance Committee (PAC) member, then there should be a process whereby that specific portfolio was excluded. Louise Hellyer (LH) agreed with this suggestion and added that if they were not reaching the initial 50% target, then that would be very concerning, and that would show that the Shipper was clearly not making the effort to adhere to the UNC target criteria.

Fiona Cottam (FC) then gave a brief verbal overview of the present status of the Class 2, Class 3 and Class 4 read performance and Class movements. She said that it would be worthwhile to have a charge to administer forced movements from Class 3 to Class 4, as there may be a need to move whole portfolios due to performance issues. She added that it could be a payback charge or administration charge, whichever was the higher figure.

JW explained that he had been discussing the option of measuring the performance at MPRN level with Emma Smith (ESm) instead of the 50% target option. ESm said this could be undertaken individually at MPRN level once a month and utilise system's weekend running, and that these could be done as a Class change, and then restricted to move back to that Class for the needed duration.

JW said the next step was to explore the MPRN and the portfolio level to see if this would be a feasible and comprehensive approach. Sallyann Blackett (SB) said that presently the read performance within Class 3 was appalling. MB suggested that there should perhaps be a pre-qualification process prior to any Shipper placing sites into Class 3, for a trial period, to prove they could achieve the target at their portfolio level. JW agreed that this was a valuable suggestion as that would provide evidence of their performance.

ESm said that this would be encompassed within the read's validation process together with the required capability to perform at that level. Kirsty Dudley (KD) said there should be a Proof of Concept within Business as Usual (BAU) process so that a new process is not introduced, this should be specifically regarding the Shipper and Supplier relationship and the associated criteria. ESm said even if the MPRN was ring fenced, some Suppliers would fail and she agreed to investigate this matter in more depth.

New Action 0101: Xoserve (ESm) to investigate the introduction of a process to demonstrate compliance and capability for meter read submission.

JW confirmed he would discuss the MPRN level further with ESm and would amend the solution to reflect this.

New Action 0102: npower (JW) to further explore the MPRN level in relation to performance targets with Xoserve (ESm) and then amend the solution to encompass this process.

Bob Fletcher (BF) asked if the Workgroup thought the Modification was going far enough in relation to overall meter reading submission performance. MB said it was definitely a very important Modification as it was dealing with the meter reads and this was an area that would only expand in the future. He added that entry testing was needed to protect parties and that the passing of the 50% target was critical. He proposed whether manually or random sample testing could be undertaken by Xoserve, as part of the validation process. ESm said this would need to be executed via a systems solution, rather than a resource increase. She wanted clarification as to whether this implementation criteria would be to pick up new information within that Class for new entrants, and if that was the case, then a line in the sand would be required to measure everyone from a drop-dead date, which would be pre-determined.

BF also said that the performance in Class 4 was also very poor and proposed that this should be added into the monitoring criteria. MB felt this would be managed via Modification 0672,

although he agreed there needed to be a joined up approach to the timely submission of valid meter readings.

3.0 Review of Legal Text

Not reviewed during this meeting.

4.0 Review of ROM

It was agreed the ROM submission should now be formally cancelled.

5.0 Development of Workgroup Report

Not reviewed during this meeting.

6.0 Review of outstanding actions

Action 1002: Using latest data for the 2 largest Shippers (920 and 212) FC (Xoserve) to evaluate what the impact is of the Shippers being in Class 3 rather than Class 4 (case study of savings a Shipper may have made by being in the wrong class).

Update: FC confirmed that this action had already had the data submitted and available for discussion at the last meeting and reiterated the update as per the previous comments during the last meeting:

Both Shippers were achieving less than 1 read per month for their whole portfolio in Class 3. Assuming that all sites were in Class 4 and that all are in EUCs 1 to 3, both Shippers have approximately halved their exposure to UIG. In a typical month, with UIG of 4%, Shipper 212 would avoid c. £66K of UIG (at 2p/kWh) and Shipper 920 would avoid c £26K of UIG.

If the sites are in EUC 4 or above, there is no UIG benefit to being in Class 3 v Class 4. However lack of reads adds to UIG risk and delays update of AQs.

FC then confirmed this action could then be closed. **Closed.**

7.0 Next Steps

BF confirmed that a three month extension would be requested from Panel to allow further Workgroup Report development in relation to the solution and the performance targets.

8.0 Any Other Business

None.

9.0 Diary Planning

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

Time / Date	Venue	Workgroup Programme
10:30 Tuesday 26 February 2019	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Detail planned agenda items.

Action Table (as at 22 January 2019)					
Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1002	02/10/18		Using latest data for the 2 largest Shippers (920 and 212) FC (Xoserve) to evaluate what the impact is of the Shippers being in Class 3 rather than Class 4 (case study of savings a Shipper may have made by being in the wrong class).	Xoserve (FC)	Closed
0101	22/01/19	2.0	Xoserve (ESm) to investigate the introduction of a process to demonstrate compliance and capability for meter read submission.	Xoserve (ESm)	Pending
0102	22/01/19	2.0	npower (JW) to further explore the MPRN level in relation to performance targets with Xoserve (ESm) and then amend the solution to encompass this process.	Npower (JW) and Xoserve (ESm)	Pending