Joint Office of Gas Transporters

UNC Workgroup 0781R Minutes
Review of the Unidentified Gas process
Thursday 24 February 2022
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Claire Louise Roberts	(CLR)	Scottish Power
Dan Fittock	(DF)	Corona Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Guv Dosanjh	(GD)	Cadent
Hursley Moss	(HM)	Cornwall Insight
John Jones	(JJ)	ScottishPower
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyer	(LH)	Totalenergies Gas & Power
Mark Perry	(MP)	Correla on behalf of Xoserve
Oorlagh Chapman	(OC)	Centrica
Rhys Kealley	(RK)	British Gas
Robert Johnstone	(RJ)	Utilita
Steve Mulinganie	(SM)	Gazprom Energy
Tom Stuart	(TS)	Wales & West Utilities

Copies of all papers are available at: http://www.gasgovernance.co.uk/0781/240222
The Workgroup Report is due to be presented at the UNC Modification Panel by 21 July 2022.

1.0 Introduction and Status Review

1.1. Approval of Minutes (27 January 2022)

The minutes from 27 January 2022 were approved.

1.2. Approval of Late Papers

RHa confirmed there were no late papers for Workgroup to consider.

1.3. Review of Outstanding Actions

No outstanding actions to consider.

2.0 Initial Analysis

2.1. Option Definition Table

RH referred to the update Options Definition Table and published here:
https://www.gasgovernance.co.uk/0781/240222, Gareth Evans was then invited to explain the
rationale for his update.

Options:

1	Uniform Allocation model based on volume
2	Static Model
3	Static Model (with regular audit)
4	Utilise existing industry datasets
5	Utilise existing industry datasets (AUGE top-up)
6	Balancer of last resort
7	Smoother transition of scaling factor changes
8	UIG Framework responsibility of sub-committee
9	Lengthen the duration of the AUGE term
10	Apply some method of smoothing/mitigation when transitioning from one AUGE regime to the next.
Additional	Improve allocation process (several)
Additional	Increase NDM sample size
Additional	use shrinkage (not in ToR)

Criteria:

- Polluter Pays (dynamic)
- Feasibility
- Drives Improvement
- Year on Year stability
- Easy to explain
- Robust
- Not likely to be continually challenged

GE explained that **Options 4 and 5** would utilise existing industry data sets, and in his opinion, produced the highest score in terms of criteria, these would be relatively stable; easy to explain and would not be likely to be continually challenged.

GE said that **Options 7-10** would take the existing AUGE Framework and tweak it as opposed to change it.

Fiona Cottam (FC) highlighted to Workgroup some areas where the AUGE has identified where improvements can be made:

Isolated Site

This year an Isolated Site was identified where the Shipper had real problems getting reconnected; they are now reconnected and are now submitting readings. FC reminded Workgroup that a Shipper should reconnect when they know the Site is consuming gas.

Modifications

There have been a lot of Modifications that have been raised that have come out of AUGE discussions. For example, in order to ratify the loop hole around reporting of theft, such as, Modification 0410 0410A - Responsibility for gas off-taken at Unregistered Sites following New Network Connections and Modification 0425V - Re-establishment of Supply Meter Points – Shipperless sites.

Rejected Reads

There was a rule that was not being complied with which resulted in a lot of rejected reads, once the rule was highlighted Users the rejection rate improved, it has now come down by 50%.

Louise Hellyer (LH) commented that the nature of how the elements of UIG work, does drive improvement on some elements rather than all of them.

Referring back to the options, GE noted that **Option 9: Lengthen the duration of the AUGE term**, is in the gift of the CDSP to extend the AUGE contract duration.

_____

GE suggested that **Option 5: Utilise existing industry datasets** and **Option 6: Utilise existing industry datasets (AUGE top-up),** are probably the Options that Workgroup should start to look at.

LH highlighted that she feels stability is really important, adding that stability is the ability to have longer term views which can make very big differences. GE said that a high scoring stability option would be **Option 1. Uniform allocation model based on volume** and/or Option **2. Static Model.** LH reiterated, if Workgroup are trying to address the challenges that are received, stability is important.

George MacGregor (GM) commented that how well are we able to look at theft and identify theft should be the main focus and it depends on how good various sectors of the industry are at detecting theft. He added that the industry should be doing as much as they can to have as accurate data as possible which will enable the detection of theft, such as accurate reads and submission on time.

GE commented that if everyone that has a SMART meter were moved to daily metering, then there would be daily consumption reads for every Site. GM said that market wide settlement could be the real step change in this process, and that it is a really complex puzzle.

Rhys Kealley (RK) noted, in terms of non-daily metered, even if more reads are submitted, only one read per week is going into Xoserve systems and asked if some analysis can be done to get a more accurate view of what UIG is. FC advised that reads could come in up to 10 days later than the actual date they were taken, the Demand Estimation Team are looking to see if they can use some Profile Class 3 data for their algorithm performance and then use it for the following year models. FC added that the same Profile Class is used for Class 3 Sites as for Class 4 Sites.

RK suggested that, for universal daily settlement, CDSP could look month or two back to see if that data contributed to UIG. FC highlighted that would be a huge piece of work and that CDSP would have to specify it sufficiently as a separate service.

FC noted the introduction of mandatory monthly readings in [Modification 0692S - Automatic updates to Meter Read Frequency](#) and that the algorithm performance shows the allocations are quite accurate.

In conclusion it was agreed that Dan Fittock (DF) and Gareth Evans would re-evaluate the Options Definition Table using a 1-5 methodology rather than High/Medium/Low to allow a clearer picture to emerge of which options are the right ones to pursue and which will hopefully give the most improvement over the current system.

> **New Action 0102:** Proposer (DF) and GE to re-evaluate the Options Definition Table using a 1-5 methodology.

Whilst considering if a Modification might be raised as an outcome of this Review Workgroup, RHa advised Workgroup that if Modification development is completed within a Review Group it seems to have a higher chance of being accepted and progressed.

ER agreed with the weighting of the options with a scoring of 1-5 approach and asked if the weighting factors of the criteria (Polluter pays (dynamic); Feasibility; Drives improvement; Year on Year stability; Easy to explain; Robust and Not likely to be continually challenged) at the top as well, GE confirmed these will be looked at too.

Workgroup agreed that options that have a high scoring for *year-on-year stability*; *polluter pays* and *not likely to be continually challenged*, would be the top three to consider or be joint first in terms of weighting.

3.0   Next Steps

The Proposer and GE will re-evaluate the Option Definition Table.

4.0 Any Other Business

None.

5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 24 March 2022	5pm 15 March 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 28 April 2022	5pm 19 April 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 26 May 2022	5pm 17 May 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 23 June 2022	5pm 14 June 2022	Microsoft Teams	Standard Agenda

Action Table (as at 24 February 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0102	**24/02/22**		Proposer (DF) and GE to re-evaluate the Options Definition Table using a 1-5 methodology.	Proposer (DF) and GE	**Pending**