

**UNC Workgroup 0812R Minutes
Review of Alternative to “Must Read” Arrangements
Thursday 24 November 2022
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Anne Jackson	(AJ)	Gemserv
Ben Hanley	(BH)	Northern Gas Networks
Ben Mulcahy	(BM)	Northern Gas Networks
Clare Manning	(CM)	E.ON
David Addison	(DA)	CDSP
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	Xoserve
Emma Buckton	(EB)	Northern Gas Networks
Guv Dosanjh	(GD)	Cadent
Hursley Moss	HM	Cornwall Insight
Kathryn Adeseye	(KA)	Xoserve
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Field	(MF)	Sembcorp
Mark Jones	(MJ)	SSE
Martin Attwood	(MA)	CDSP
Oorlagh Chapman	(OC)	Centrica
Philip Kershaw	(PK)	CNG Services
Richard Pomroy	(RP)	Wales & West Utilities
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 April 2023.

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: www.gasgovernance.co.uk/dist/241122

1.0 Introduction and Status Review

1.1. Approval of Minutes (22 September 2022)

The minutes from the meeting held on 27 October 2022 were approved.

1.2. Approval of Late Papers

There were no late papers.

1.3. Review of Outstanding Actions

Action 0109: Workgroup participants to review the proposed solution options to take this Review forward:

- 1) (Preferred solution) - Remove obligation on Transporters and let PAC (Performance Assurance Committee) manage any settlement risk which gives them the freedom to address the issue as they see fit;
- 2) Remove obligation on Transporters and put in place specific obligations on Shippers should they breach their meter reading obligation;
- 3) Replace the Transporter obligation in Code by arrangements for central provision of the service.

Feedback to be provided to Joint Office enquiries@gasgovernance.co.uk and/or Richard Pomroy Richard.pomroy@wwutilities.co.uk.

Update: When asked, Richard Pomroy (RP) confirmed no further feedback has been provided.

When Rebecca Hailes (RH) asked Workgroup for any further comments, Steve Mulinganie (SM) said that his preference is Solution Option 1 but would like to see the analysis before he commits one way or the other.

It was noted that if the Settlement risk that the Must-Read service mitigates is not material, the conclusion to do nothing specific needs to be put in place.

Workgroup considered the material provided by CDSP (Central Data Service Provider) which shows the success rate of Meter Readings being uploaded onto Central Systems and are used in Settlement. www.gasgovernance.co.uk/dist/241122.

Oorlagh Chapman (OC) noted that Shippers will be charged for the circa 47k reads submitted that are rejected, , which is adding nothing to the process at a cost of roughly £2million.

Martin Attwood (MA) explained that, assuming IGT (Independent Gas Transporter) procures a reading, it is loaded onto the system and a standard validation is completed. Rejected Meter Readings are then provided to the Demand Estimation Team to be reviewed to see what could be uploaded, of those rejections circa 50% get uploaded, the remaining reads which have been rejected that cannot be uploaded are returned to the Shipper.

MA further clarified that the rejections that are returned to the Shipper are mostly Asset updates that are needed which require Shipper activity to correct.

New Action 0111: CDSP (MA/ER) to provide a selection of manual validation scenarios with more detail around the Analysis Summary presented at Workgroup on 24 November 2022. For clarification this action is regarding the split of the circa 47,000 must reads that are not successfully uploaded (23,500 are fixed by CDSP, therefore 23,500 are returned to the Shipper for action.)

It was suggested that the Analysis Summary provided is taken to the next Performance Assurance Committee.

Action 0109 Carried Forward

Action 0209: Workgroup participants to consider if it is still appropriate for Transporters to provide the Must-Read service:

- If yes, please provide your reasoning.
- If no, then who should provide it?

Update: This action is linked to Action 0109 and will be carried forward for consideration at the next Workgroup. **Carried Forward**

Action 0309: Workgroup Chair (RH/EF) to ask PAC for evidence on the effectiveness of must reads and the effectiveness on settlement accuracy: (Is there a benefit or value in the must-read service)

- If must reads are successfully used, to what extent do they mitigate settlement risk?
- Are Transporters the appropriate party to provide the service?
- If they are not, who should provide the service

Update: Referring to the material considered within Action 0109 updates, Ellie Rogers (ER) provided an analysis summary of the assessment that CDSP has undertaken to support Workgroup when considering the impact of the current Must Read process.

When considering 0.09% of LDZ (Local Distribution Zone) AQ (Annual Quantity) that has been settled via the Must-Read process, Workgroup concluded the equivalent total energy settled over the past 12 months is approx 0.465 TWh.

MA agreed to provide the AQ quantities for each of the Sites reconciled through the Must-Read process.

New Action 0211: CDSP (MA) to provide the AQ quantities for each of the Sites reconciled through the Must-Read process.

New Action 0311: PAFA (AJ) to assess the impact of the c. 47k meter reads that are failing validation.

- Does the c. 47k create a risk to Settlement?
- Do the Failures (c. 47k) have any adverse impact on settlement?

RP reminded Workgroup that the scope of the Review is not to consider the loading or non-loading of meter readings.

SM clarified it would be useful if, once the AQ figure is known, to know if that amount of energy has any materiality to the PAC process (value at risk).

Action 0309 Carried Forward

2.0 Amended Modification

The Request had not been amended.

3.0 Issues and Questions from Panel

3.1. Does the process utilised in the IGT UNC work as an alternative arrangement?

This will be considered at a future Workgroup meeting.

4.0 Development of Workgroup Report

This will commence at a future Workgroup meeting.

5.0 Next Steps

RH confirmed that the January 2023 Workgroup meeting will consider any additional views from the outstanding actions taken and then will consider what a Modification might look like.

6.0 Any Other Business

None.

7.0 Diary Planning

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

RH clarified that due to the number of Workgroups currently under consideration at Distribution Workgroup, only Modifications that are reporting to the January Workgroup will be considered at the next meeting on 12 December 2022. Therefore, the next meeting for this Workgroup will be held on Thursday 26 January 2023.

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 26 January 2023	5pm 18 January 2023	Microsoft Teams	Standard Agenda

Action Table (as at 24 November 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0109	22/09/22	2.0	<p>Workgroup participants to review the proposed solution options to take this Review forward:</p> <ol style="list-style-type: none"> 1) (Preferred solution) - Remove obligation on Transporters and let PAC manage any settlement risk which gives them the freedom to address the issue as they see fit; 2) Remove obligation on Transporters and put in place specific obligations on Shippers should they breach their meter reading obligation; 3) Replace the Transporter obligation in Code by arrangements for central provision of the service. <p>Feedback to be provided to Joint Office enquiries@gasgovernance.co.uk and/or Richard Pomroy Richard.pomroy@wwutilities.co.uk.</p>	Workgroup participants	Carried Forward
0209	22/09/22	2.0	<p>Workgroup participants to consider if it is still appropriate for Transporters to provide the Must-Read service:</p> <ul style="list-style-type: none"> • If yes, please provide your reasoning. • If no, then who should provide it? 	Workgroup participants	Carried Forward
0309	22/09/22	2.0	<p>Workgroup Chair (RH/EF) to ask PAC for evidence on the effectiveness of must reads and the effectiveness on settlement accuracy: (Is there a benefit or value in the must-read service)</p> <ul style="list-style-type: none"> • If must reads are successfully used, to what extent do they mitigate settlement risk? • Are Transporters the appropriate party to provide the service? • If they are not, who should provide the service? 	Workgroup Chair (RH/EF)	Carried Forward
0111	24/11/22	1.3	<p>CDSP (MA/ER) to provide a selection of manual validation scenarios with more detail around the Analysis Summary presented at Workgroup on 24 November 2022. (For clarification,</p>	CDSP (MA/ER)	Pending

			of the circa 47k must reads that are not successfully uploaded, 23% are fixed by CDSP, therefore 23% are returned to the Shipper for action.)		
0211	24/11/22	1.3	CDSP (MA) to provide the AQ quantities for each of the Sites reconciled through the Must-Read process.	CDSP (MA)	Pending
0311	24/11/22	1.3	PAFA (AJ) to assess the impact of the c47k meter reads that are failing validation. - Does the c47k create a risk to Settlement? Do the Failures (c47k) have any adverse impact on settlement?	PAFA (AJ)	Pending