

**UNC Workgroup 0664 Minutes  
Transfer of Sites with Low Read Submission Performance from  
Class 2 and 3 into Class 4**

**Monday 23 September 2019**

**at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA**

**Attendees**

Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Alan Raper	(AR)	Joint Office
Alexander Mann*	(AM)	Gazprom
Andy Clasper	(AC)	Cadent
Carl Whitehouse*	(CW)	Shell
David Mitchell*	(DM)	SGN
Guv Dosanjh	(GD)	Cadent
Leanne Jackson	(LJ)	Xoserve
Lorraine O'Shaughnessy	(LOS)	Joint Office
Lorna Lewin*	(LL)	Orsted ( <i>joined at 1pm</i> )
Louise Hellyer	(LH)	Total Gas & Power
Maitrayee Bhowmick-Jewkes	(MBJ)	Joint Office
Mark Bellman	(MB)	Scottish Power
Mark Jones	(MJ)	SSE
Mark Palmer*	(MP)	Orsted
Megan Coventry*	(MC)	SSE
Phil Lucas*	(PL)	National Grid
Rhys Kealley	(RK)	British Gas
Rob Johnson*	(RJ)	Waters Wye Associates
Stephanie Clements	(SC)	Scottish Power
Steven Britton*	(SB)	Cornwall Insight
Tracey Saunders*	(TS)	Northern Gas Networks

*\*via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0664/230919>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 December 2019.

**1. Introduction and Status Review**

The meeting was confirmed to be quorate.

**1.1. Approval of Minutes (20 August 2019)**

The minutes from the previous meeting were approved.

**2. Finalisation of Business Rules**

MJ confirmed a draft amended modification had been provided for consideration by the Workgroup to add further clarity and update the business rules. MJ mentioned he had also refined some of the terminology for example 'Valid Supply Meter Reads' and included some new defined terms.

MJ provided an overview of the Business Rules to allow the Workgroup to consider the process. It was noted that the Modification would need to be amended to ensure the capitalisation of the new defined terms. MJ confirmed these would be updated for the formal submission of the amended Modification.

The Workgroup considered the reference to the 'minimum performance standard' and whether the name was appropriate. Possible triggers within Business Rule 2 for Class 2 and Class 3 read submissions were also discussed. It was considered if the [25%] target level was appropriate and whether this should be made a defined term. The performance standard was considered against similar UNC performance standards.

MJ confirmed that the table within Business Rule 3 table needed to be updated.

MJ asked for feedback on whether 3 months was a reasonable time period within Business Rule 4. The Workgroup discussed the varying complexities for Class 2 meter faults. LH believed that for some Class 2 meter faults, it may take longer than 3 months to resolve, as larger meters have more complexities and sourcing a replacement meter may be more troublesome. The Workgroup considered how many meters are classified as faulty and if the flag is being used correctly. MJ was keen to incentivise the industry to address faulty meters. LH highlighted the possible contractual complexities for some Class 2 sites and explained that there may need to be some consideration for exceptions. The Workgroup considered that if a site does not meet the criteria of the Class, it should move Class.

The Workgroup considered the impact to unidentified gas (UIG) for faulty meters and meter reading estimates.

The Workgroup also considered the Assured Read Target and Valid reads and how Assured Read Targets will be deemed to be valid, along with which reads would contribute to the target. The Workgroup also discussed the role of the Performance Assurance Committee (PAC).

LH challenged within the Modification the ability for PAC to set a performance measure different to a performance measure defined in the UNC. She stressed that PAC should not be able to enforce a different measure to that contained within the UNC. If the industry requires a certain target it needs to be set in the UNC. LH also wished to note that if a party wishes to have Class 3 sites, they need to ensure they meet the required standards for the sites to remain within Class 3, if not they should re-classify the sites.

The Workgroup considered the flexibility for failed meter reads for sites, and if for example Product Class 3 would include Assured Reads within the performance target reporting. LJ explained that the existing reports currently do not take into account Assured Reads. The data would be available, but the current reports would not provide this level of transparency.

The Workgroup discussed Business Rule 8, considering the performance period and clarity on when periods close out and cannot be taken into account. The Workgroup also considered the qualifying period along with the ability to move sites back into the correct classification after it meets the required target. The Workgroup reviewed the lock out period within Business Rule 10. Various concerns were expressed with a lock out period and how it should be managed, to avoid parties from being locked out for potentially six months even when they could be achieving the target read performance and thus could have been contributing less to UIG if in the correct Product Class.

LJ enquired about the faulty meter process and if the faulty meter flag is being removed when a faulty/broken meter has been addressed/rectified. It was agreed that there needs to be a separate consideration for dealing with faulty/broken meters and an appropriate incentive to resolve these. It was recognised that as the faulty meter flag is not validated, there is potential for this to be misused.

MB understood the concerns expressed during discussions about the lock-out period, however he suggested there needs to be an incentive for industry to take action to avoid being locked out from the Class' advantages.

The lock-out operation was considered further and that if, within a month the meter read performance target improves, then because the purpose of the Modification is to improve UIG, the site should not be locked out of the benefits for that Class. The Workgroup deliberated how sites should be managed that fluctuate in and out of the target and whether it was appropriate to lock parties out for a period of time.

LJ suggested an exception process may wish to be established where evidence can be provided that actions are being taken to rectify a faulty meter and these sites should not be locked out. If, however there is a site with a faulty meter flag for 12 months with no evidence that it's being addressed, these could be locked out.

The size of the sites and number of the sites was considered, and that Shippers may wish to address a large site which would reap more benefit than a number of smaller sites. The number of exceptions being managed was briefly considered but this was not seen to be material.

TS enquired if this Modification was dependent on any other Modification being implemented. The Workgroup believed this was an independent Modification and could be implemented without dependency on other industry changes.

It was agreed further amendments were required to the Modification to add additional clarity from today's discussions and to move the final section to reside within the defined terms.

### 3. Finalisation of Legal Text

It was agreed that the Legal Text could be drawn up upon finalising the business rules. It was anticipated that the Legal Text could be drafted for consideration at the November meeting.

### 4. Finalisation of Solution

See item 2.0. No further discussion.

### 5. Finalisation of ROM

Consideration to be given in October.

### 6. Development of Workgroup Report

Deferred until October/November.

### 7. Confirmation of potential major system release

Consideration to be given in October.

### 8. Confirmation of new PARR Report specification

See Action 0803 Update.

### 9. Review of Outstanding Actions

**0801:** Xoserve (JR/FC) to confirm if a restriction could be applied to the MPRN to prevent movement of Shippers from one class to another within the two months target period.

**Update:** LJ confirmed this capability is already available within the system. However an XRN would be required to utilise this. **Closed.**

**0802:** Joint Office (RH) to contact Anne Jackson at Gemserv to ascertain if an IGT Modification would be needed and request generic guidelines in relation to when an IGT Modification is required.

**Update:** RH confirmed she had asked Gemserv but that so far a definitive answer has not been provided and that the Workgroup Report will need to reflect if there is any IGT impact. **Carried Forward.**

**0803:** Xoserve (FC) to describe the format and specification of a potential new PARR report to show the effect of Modification 0664 (for example showing class movement by Shipper possibly as percentage of population in classes 2, 3 and 4).

**Update:** LJ confirmed the specification had been provided. It was agreed that the specification needs to be considered by PAC to ensure it meets the expected requirements, and to check if this should include movements by the CDSP. It was agreed to carry this action forward and log a new action for PAC. **Carried Forward.**

**New Action 0901:** Xoserve and SSE (FC/MJ) to consider and confirm the PARR Report specification/format for Modification 0664.

**New Action 0902:** PAC Members (CW/LH/MB) to ensure the specification of the new PARR Report (Sites converted from PC 2/3 to PC4 by the CDSP due to low read submission levels at individual supply points) is considered by the Performance Assurance Committee (PAC).

## 10. Next Steps

RH confirmed the next steps for the October and November meetings, these were:

- Amended Modification (October)
- ROM Request (October)
- Consideration of System Changes and PARR Report specification/format (October)
- Legal Text provision and review (November)
- Development of Workgroup Report (November)

## 11. Any Other Business

MB enquired about the dependency on Urgent Modification 0700 - *Enabling large scale utilisation of Class 3*. The Workgroup briefly considered the approved reads and unchecked reads (i.e. not good and not checked reads, verses good and checked reads). It was understood that the implementation and consequential impact of Modification 0700 was being considered at the Distribution Workgroup on 26 September 2019.

## 12. 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	Workgroup Programme
10:30 Tuesday 22 October 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Amended Modification ROM Request Consideration of System Changes and PARR Report specification/format
10:30 Tuesday 26 November 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Legal Text provision and review Confirmation of whether an equivalent IGT Modification is required Development of Workgroup Report
10:30 Thursday 12 December 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Finalise Workgroup Report ready for submission to December Panel

**Action Table (as at 23 September 2019)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
0801	20/08/19	2.0	Xoserve (JR/FC) to confirm if a restriction could be applied to the MPRN to prevent movement of Shippers from one class to another within the two months target period.	Xoserve (JR/FC)	<b>Closed</b>
0802	20/08/19	6.0	Joint Office (RH) to contact Anne Jackson at Gemserv to ascertain if an IGT Modification would be needed and request generic guidelines in relation to when an IGT Modification is required.	Joint Office (RH)	<b>Carried Forward</b>
0803	20/08/19	8.0	Xoserve (FC) to <u>describe the format and specification of a potential new PARR report</u> to show the effect of Modification 0664 (for example showing class movement by Shipper possibly as percentage of population in classes 2, 3 and 4).	Xoserve	<b>Carried Forward</b>
0901	23/09/19	9.0	Xoserve and SSE (FC/MJ) to consider and confirm the PARR Report specification/format for Modification 0664.	Xoserve/SSE (FC/MJ)	<b>Pending</b>
0902	23/09/19	9.0	PAC Members (CW/LH/MB) to ensure the specification of the new PARR Report (Sites converted from PC 2/3 to PC4 by the CDSP due to low read submission levels at individual supply points) is considered by the Performance Assurance Committee (PAC).	PAC (CW/LH/MB)	<b>Pending</b>