

**UNC Workgroup 0699 Agenda**  
**Incentivise Key Areas of Performance using additional UIG Charges**  
**Thursday 26 September 2019**  
**at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA**

**Attendees**

Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Lorraine O'Shaughnessy	(LO)	Joint Office
Maitrayee Bhowmick-Jewkes	(MBJ)	Joint Office
Alexander Mann	(AM)	Gazprom Energy
Andy Clasper	(AC)	Cadent
Brandon Rodrigues*	(BR)	ESP Utilities
Carl Whitehouse*	(CW)	First Utility
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Darren Lond*	(DL)	National Grid
Ellie Rogers	(ER)	Xoserve
Gurvinder Dosanjh	(GD)	Cadent
Kirsty Dudley*	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Louise Hellyar*	(LH)	Total Gas & Power
Megan Coventry*	(MC)	SSE
Mark Jones	(MJ)	SSE
Oorlagh Chapman*	(OR)	British Gas
Paul Youngman*	(PY)	Drax
Richard Pomroy	(RP)	Wales & West Utilities
Sally Hardman*	(SH)	SGN
Stephanie Clements	(SC)	Scottish Power (0699 only)
Steve Britton*	(SB)	Cornwall Insights
Tracey Saunders	(TS)	Northern Gas Networks

\*via teleconference

Copies of all papers are available at: [www.gasgovernance.co.uk/0699/260919](http://www.gasgovernance.co.uk/0699/260919)

The Workgroup Report is due to be presented at the UNC Modification Panel 16 January 2019.

## **1.0 Introduction and Status Review**

### **1.1. Approval of Minutes (25 July 2019)**

The minutes from the previous meeting were accepted.

### **1.2. Review of outstanding actions**

There are no actions outstanding.

## 2.0 Amended Modification

Stephanie Clements (SC) introduced the amended Modification and explained she has addressed the three key points raised at the last meeting held in July:

- Whether having UIG as the basis of the charge is appropriate
- How the collected money would be redistributed
- How this proposal ties in with all the other UIG mods

### **How the collected money would be redistributed**

Here there are two options:

- Reshare costs amongst everybody within the LDZ using the current UIG weighting factors; or,
- Redistribute around those that are performing rather than those that are not performing, but SC confirmed she is unsure as to how complex that would be.

When asked, SC confirmed the cost is separate, at the end of the month and issued to those that have not performed. The charges would be calculated using the formulae listed

Louise Hellyar (LH) said that she is not convinced that creating a charge, based purely on the read performance and AQ, is appropriate. SC advised that some of the investigations completed in Modification 0672 - Target, Measure and Reporting Product Class 4 Read Performance, it was found that the longer without the read the more volatile the AQ.

There was a concern that if the charge resulting from this proposal were to be embedded in amongst all other charges received; it would be hard for the Shipper to identify what they have been charged against each incentive.

ER clarified that it has not yet been proposed to be a separate invoice item; it is currently an Industry report rather than an individual Shipper report. LH said that she would want to be able to see the charge, or the credit, and to see in aggregate how much has been charged relating to each incentive.

Kirsty Dudley (KD) stressed that this process must be clear, transparent and be able to be validated. She referred Workgroup to the USRV model advising that with the USRV model, that Shippers could work out what the charge, or credit, was going to be.

Mark Jones (MJ) added that the USRV process was a fixed fee, and the charge linked to the size/effort to resolve a USRV.

Reviewing the Table of performance areas and the multiplication rates for revising and redistributing of UIG charges, some participants questioned the calculations that are being used to determine the charges.

SC clarified the calculation quoted for M5 6.1, this would be the previous years UIG calculation divided by 12. AR challenged, given the variables listed in the calculation, whether the formula was dimensionally correct.

LH asked if there is some better data to support the reasons behind the solution, as this would be good to see.

No further questions were raised by Workgroup, but it was recognised that there is more thinking and discussions between the Proposer and Xoserve to be done on this Modification.

### 3.0 Consideration of Business Rules

Not covered at this meeting.

### 4.0 Development of Workgroup Report

Not covered at this meeting.

### 5.0 Next Steps

AR commented it is recognised that there is more thinking to be done on this Modification and suggested the following:

- SC to take the concerns expressed today back to Xoserve and possibly rethink how this should be addressed.
- SC will provide some worked examples.
- AR asked if a soft landing has been considered and suggested some thought could be given to such an approach.

### 6.0 Any Other Business

None.

### 7.0 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	Workgroup Programme
10:30, Thursday 24 October 2019	Elexon, 350 Euston Road, London, NW1 3AW	Workgroup standard Agenda

**Action Table (as at 26 September 2019)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			No outstanding actions		