

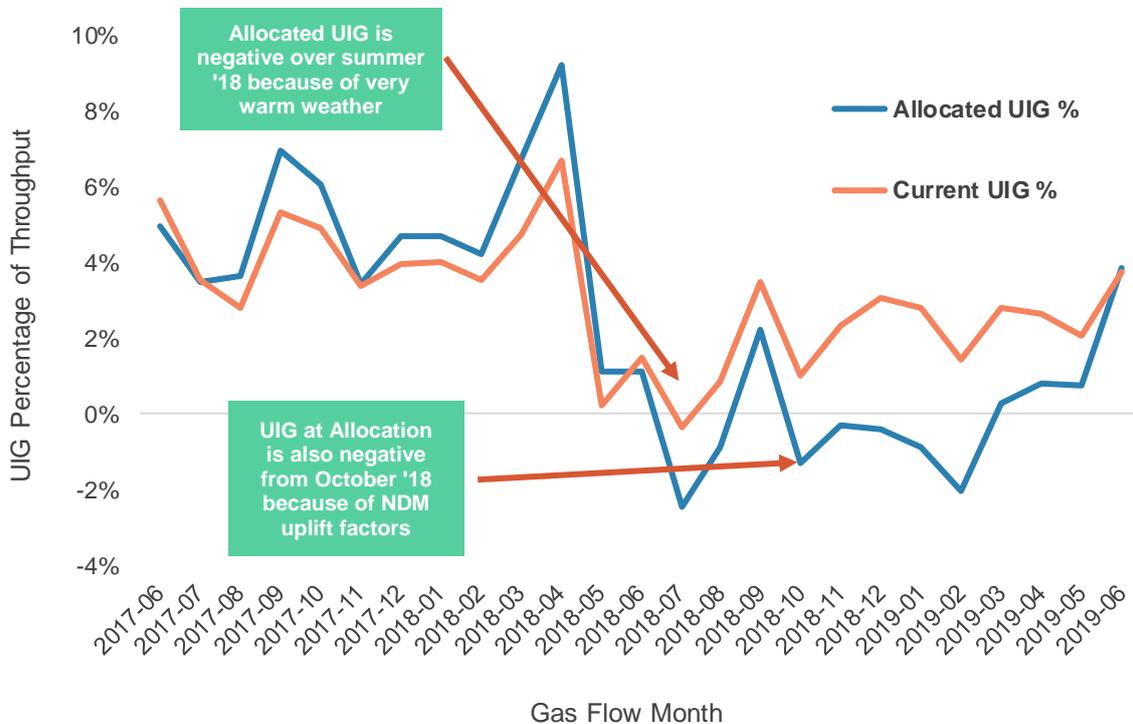
UIG Task Force Update

Tuesday 13th August 2019

Dear Customers and Industry Colleagues,

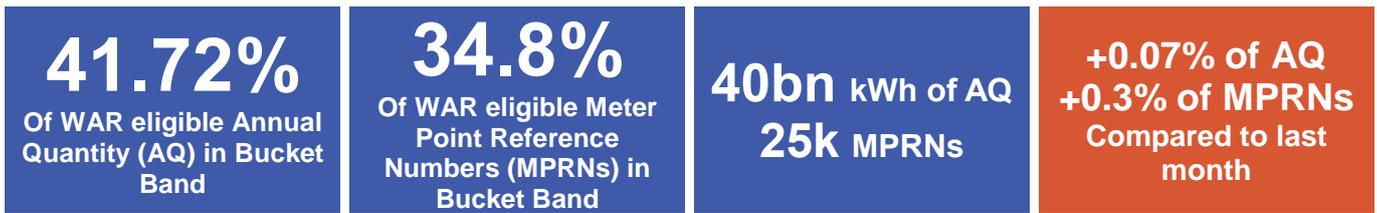
In mid-July 2019 I shared with you the progress made by the Task Force. We are continuing with our activities to deliver improvements, sharing our analysis to date and continuing to support modification development. I would like to continue to highlight the most up-to-date view regarding industry performance or behaviours which may be impacting Unidentified Gas (UIG). As mentioned in Change Management Committee on 7th August 2019, I will review the target dates to produce these communications to ensure the performance statistics are the most recent available.

UIG Current Tracking Levels at Allocation and After Reconciliation



WAR Bands

All Non-Daily Metered (NDM) sites in End User Category (EUC) Bands 3 to 8 should be monthly read and have a winter consumption, which assigns the site of one of the four Winter:Annual Ratio (WAR) Band EUCs to allocate the NDM energy more accurately. The difference between allocated usage for the WAR Band and allocated usage for the default Bucket Band would contribute to UIG at allocation.



Mod 652 – “Introduction of winter read/consumption reports and associated obligations” includes seven reports that are generated between November and the following October and shared with the industry to aid customers. Four of these reports are shared with the Performance Assurance Committee. The modification will now oblige Shippers to make a retrospective correction where they have not fulfilled their earlier obligation to provide a monthly read in the winter read windows.

Inappropriate Conversion Factors

The Conversion Factor is a component of the formula that is used to convert metered volume to energy. Sites of different sizes should have different conversion factors as specified in the Thermal Energy Regulations, which is a piece of UK legislation.

All sites with an AQ lower than 732,000 kWh should have a single standard Conversion Factor, but sites with AQ greater than 732,000 kWh should have a specific Conversion Factor based on the local altitude, temperature and pressure. Metered energy could be under or over recorded at a site with an inappropriate Conversion Factor, which would then contribute to UIG.



Potentially incorrect Conversion Factors are reported each month in the Shipper Performance Packs. In addition, the first UIG Task Force modification to successfully complete the industry processes has been implemented. UNC Modification 681S “Improvements to the quality of the Conversion Factor values held on the Supply Point Register” gives the Central Data Services Provider (CDSP) authority to change the Conversion Factor held on UK Link where it does not comply with legislation.

Sites Above the Class 1 AQ Threshold That Are Not in Class 1

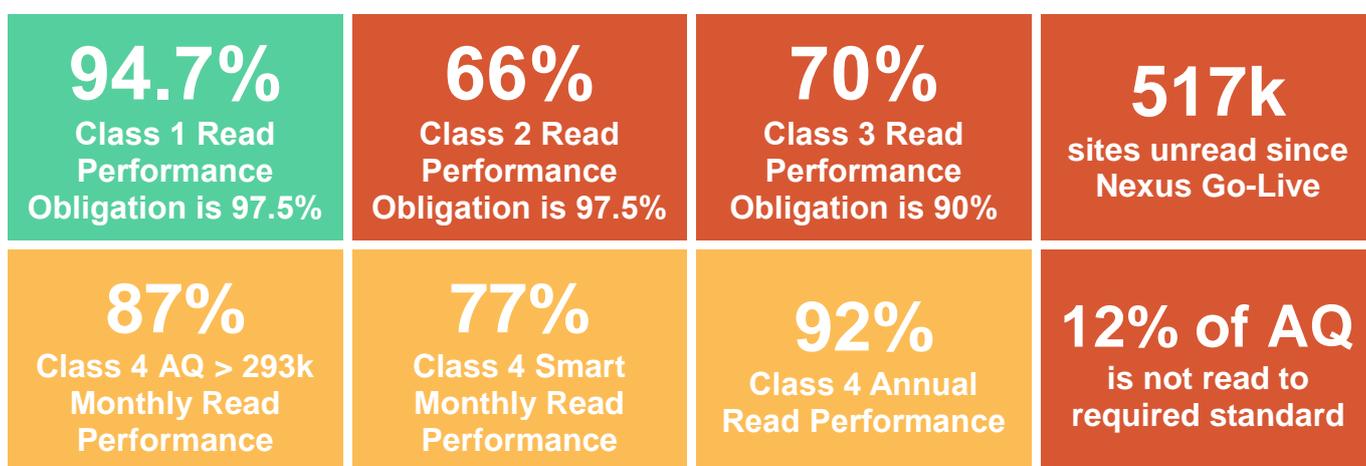
EUC 9 sites where the AQ is greater than 58.6m kWh should be re-designated as Class 1 by the Shipper. The NDM profile may not be a good representation of their usage, thus contributing to UIG.



There are three live Uniform Network Code (UNC) Modifications in progress as a result of the Task Force’s recommendations: Mod 0690 titled “Reduce qualifying period for Class 1”, Mod 0691 titled “CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met” and Mod 0692 titled “Automatic updates to Meter Read Frequency.” In addition to this the Customer Advocates are continuing to discuss individual sites with Shippers.

Meter Read Submission Performance

Submitting meter readings to Xoserve is important and will contribute to reducing UIG levels. Actual metered energy will reconcile any UIG caused by the allocation algorithm, and a new meter reading will be used to calculate a new AQ, which should make allocation more accurate in the future. Read performance is a key area of focus for the Performance Assurance Committee and Xoserve will be working with Shippers to increase read submission performance where appropriate.



Class 1 and Class 4 read performance is largely unchanged from last month but both classes have improved very slightly. Class 2 and Class 3 read performance has improved by 3% and 7% respectively. The total number of sites unread since Nexus Go-Live has reduced by 34,000.

Machine Learning

We have approved the next stages of analysis with our analytics partner. We aim to begin the new work in late August. As highlighted in previous communications we plan to:

- Develop improved estimation models for EUCs 2- 8 to investigate whether the Machine Learning benefit can be seen across the whole market
- Continue Machine Learning work on EUC 1, focussing on reducing modelled volatility further
- Developing the learning and insight gained to date to provide our customers with a model to forecast upcoming UIG levels

UIG Workgroup and recommendations

As at July’s UIG Workgroup, we have closed 50 lines on the Recommendation Tracker. The total UNC Modifications drafted by Xoserve remain at eight, with five of these being live and one approved and implemented. We are continuing to work with the industry to gain sponsorship for the remaining two. All

live modifications can be found on the Joint Office website [here](#), and all drafted modifications can be found on our website [here](#).

The UIG Recommendation Tracker is published on the Joint Office website and on our Xoserve website [here](#). It contains the full details and status of each recommendation line. If you would like to discuss any of these in detail, please [get in touch](#) with the Task Force directly.

Next Steps for the Task Force

We have begun our assessment of Task Force activities to understand what needs to be continued and aligned within our new organisation structure post September 2019. We will share the output of this with you nearer the time.

To view the latest weekly tracker of daily National UIG as a percentage of total throughput (comparing D+1 and D+5 post Gas Day) and the monthly tracker of latest UIG as a percentage of total throughput accounting for estimated phasing of meter point reconciliation, please click [here](#).

To view our published findings and recommendations to date please click [here](#). We will also continue to support the live modifications and will be discussing the draft modifications with the industry to assess the priority of these and understand if we still want to pursue sponsorship.

To view the Investigation Tracker, where you can follow individual updates against each line of investigation, please click [here](#).

As always, we will continually update you with our progress via industry forums.

If you have any questions or comments, please contact us at uigtaskforce@xoserve.com.

Kind regards

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