

# UIG Task Force Update

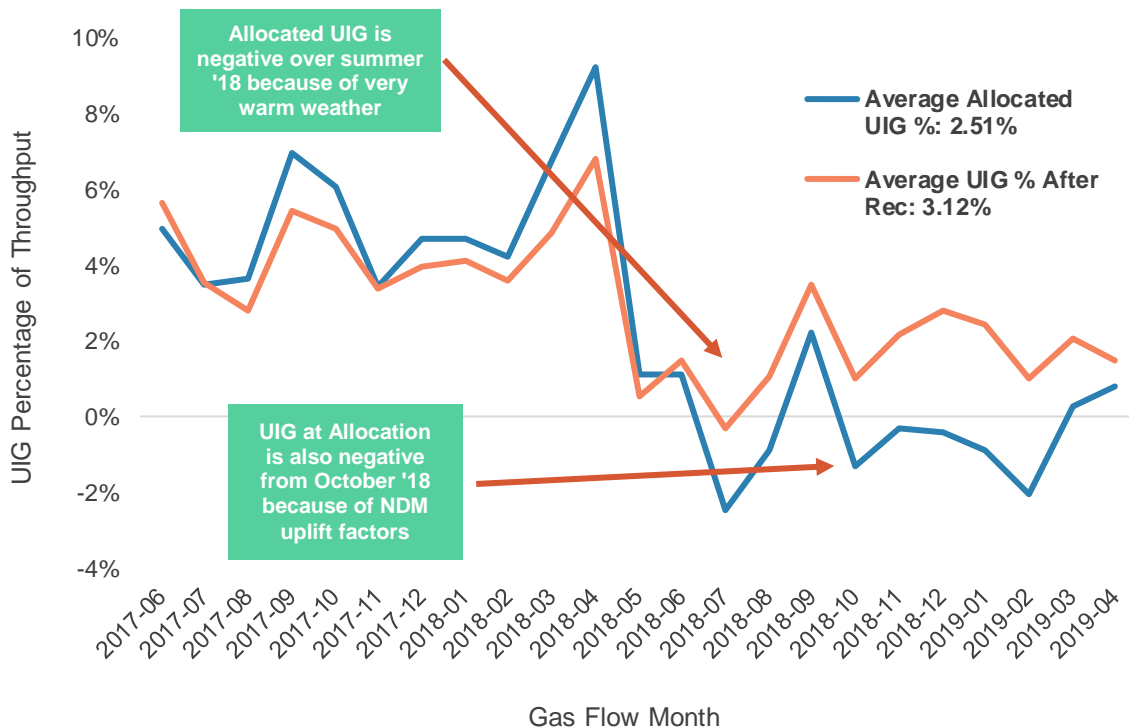
Friday 7<sup>th</sup> June 2019

Dear Customers and Industry Colleagues,

Following our last Task Force update in May 2019, we have changed the format of our Unidentified Gas (UIG) Summary to share and explain current UIG levels, highlight industry performance or behaviours which may be impacting UIG, and the activities we are working on to deliver improvements in these areas in addition to sharing our analysis progress, findings, recommendations and modification development.

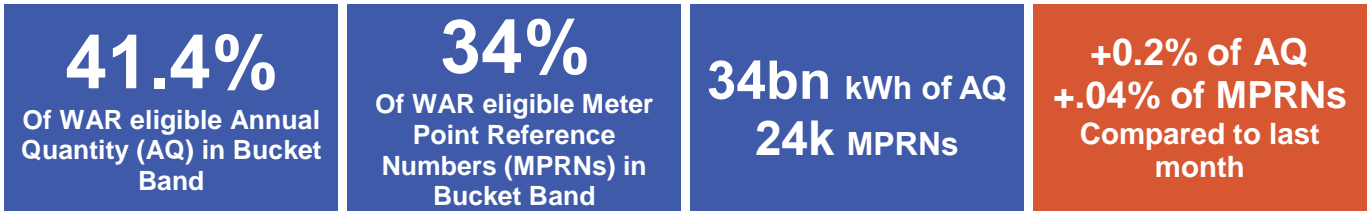
We hope you like the new format, if you have any feedback please email [uigtaskforce@xoserve.com](mailto:uigtaskforce@xoserve.com).

## 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 in turn assigns the site of one of the 4 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 used in the formula 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 under 732,000 kWh AQ should have a single industry standard Conversion Factor that is specified in legislation. All sites with AQ greater than 732,000 kWh should have a specific Conversion Factor based on the local altitude, temperature and pressure rather than the industry standard value. 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 live modification 681S “Improvements to the quality of the Conversion Factor values held on the Supply Point Register” proposes that the Central Data Services Provider (CDSP) should be given the authority to make changes to 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 One

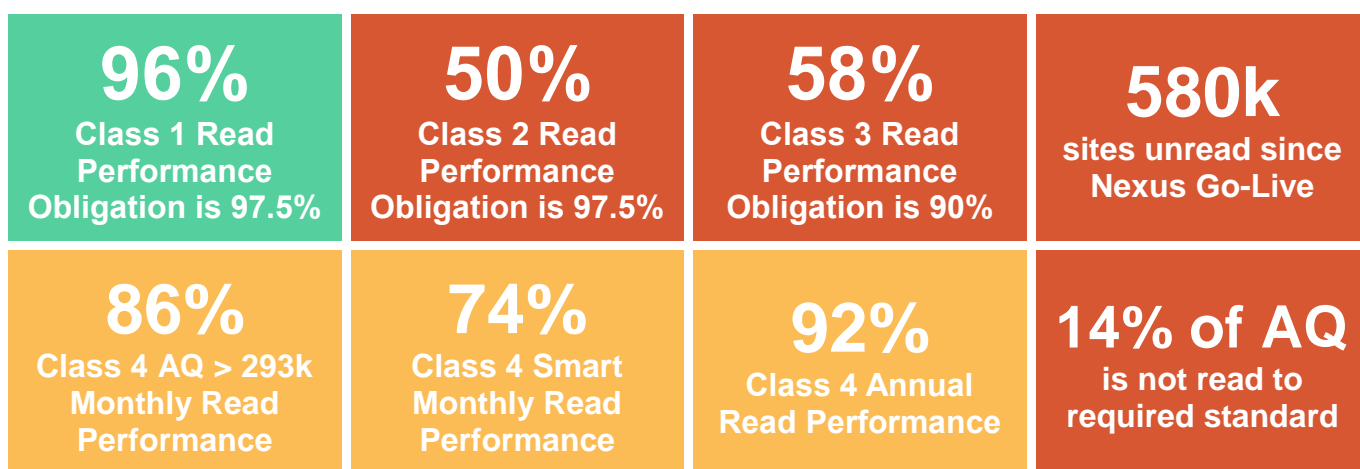
EUC09 sites where the AQ is greater than 58.6m kWh should be re-designated as Class 1 by the Shipper. The NDM profile may not be a good representation of their usage, thus contributing to UIG.



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, Mod 0692 titled “Automatic updates to Meter Read Frequency.” In addition to this the Customer Advocates are discussing 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.



Read performance has increased slightly for Class 2 sites and Annually Read sites in Class 4 since February 2019, but it is otherwise flat and does not meet the obligations set in the Uniform Network Code (UNC). 30,000 sites which were unread since 1<sup>st</sup> June 2017 have had a reading accepted in the last month which contributes to reducing the AQ at risk.

### UIG Simulation Analysis

We are working on updating our findings for item Ref 13.1.1 - NDM Algorithm Uplift Factors for 2018/19. This compared Simulated Daily National UIG using the NDM uplift factors to actual UIG where no NDM uplift factors were used in Allocation. We are updating this analysis to remove the NDM uplift factors from the 18/19 actual allocated energy to show the impact on Allocation and UIG to date.

We have also simulated the effect the new 2019-20 Allocation of Unidentified Gas Expert (AUGE) weighting factors would have on the historic UIG share between EUC bands and product Classes. The simulated data is available on the Xoserve UK Link Secured Documentation, which you can access through our website [here](#). This is available to registered UNC parties.

### UIG Workgroup and recommendations

As at May’s UIG Workgroup, we have now closed 44 lines on the Recommendation Tracker. Xoserve has drafted eight UNC Modifications, five of which are live. We are continuing to work with the industry to gain sponsorship for the remaining three. 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.

### New Investigation Lines

We are always considering any other areas where we believe there could be an impact to UIG. We have identified an additional line of investigation regarding found meter points which are not recorded on UK Link. We will develop an estimate for the effect these sites have on UIG, and our initial analysis suggests that the impact is relatively small.

### Machine Learning

In the last update we shared our most recent findings on machine learning. As these have highlighted some great potential reductions to UIG we want to explore this further. We are working closely with our analytics partner and will be taking options to the next Demand Estimation Sub-Committee and Change Management Committee where we will seek views on the next steps with the industry. We appreciate that this is a complex issue and we will be working with our analytics partner to explore ways that we can bring this finding to life. We are exploring the possibility of running an interactive session with the industry to aid understanding.

### Next Steps for the Task Force

I'm excited to report that the automated suite of UIG reports is in its final stages. We will work with our Communications Team to ensure that we launch this with guidance material on our website. Until this point we will maintain the manual production of the two graphs, the latest view can be found [here](#).

We will continue to publish new findings and any associated recommendations where our analysis is completed on open investigation lines. To view our published findings and recommendations to date please click [here](#). We will also continue to develop new modifications, support the live modifications and lobby the industry to obtain sponsors where the modifications are still in draft form.

To view the Investigation Tracker to 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](mailto:uigtaskforce@xoserve.com).

Kind regards

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