

UNC Distribution Workgroup Minutes
Thursday 26 March 2020
via Teleconference

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Anna Stankiewicz	(AS)	National Grid
Carl Whitehouse	(CW)	Shell Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Guv Dosanjh	(GD)	Cadent
India Koller	(IK)	SGN
Kirsty Dudley	(KD)	E.ON
Lea Slokar	(LS)	Ofgem
Lorna Lewin	(LL)	Orsted
Oorlagh Chapman	(OC)	British Gas
Phil Lucas	(PL)	National Grid
Rebecca Cailles	(RC)	BU-UK
Richard Pomroy	(RP)	Wales & West Utilities
Steve Britton	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/dist/260320

1. Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting and invited introductions.

1.1. Approval of Minutes (27 February 2020)

The minutes from the previous meeting were accepted.

1.2. Review Outstanding Actions

Action 1102: *NGIS Reports* - DNs to investigate internally and report back to Workgroup.

Update: Tracey Saunders (TS) advised there are discussions going on between ENA and ICOSS with reference to this agenda item. There is no update yet. Gareth Evans (GE) added that he has been party to discussions and confirmed that there is a good understanding of the need for a full post code requirement. This will be reviewed as to how the postcode can be released within the email, longer term there will be a need to review the entire process. **Carried Forward**

Action 1202: Xoserve (DA) to assess the material effort to correct the formula for Class 3 and 4 New Supply Meter Points – reference AQ setting.

Update: No update was available for this meeting. **Carried Forward**

Action 0101: *NGIS Reports: (Action 1102):* SM will gather support and comments from ICOSS members and send email to all DNs directly.

Update: TS advised she will chase for an update. **Carried Forward**

Action 0102: *How would a shipper know if a site had been classified as Class 1 as a result of a Modification 0665 designation:* Xoserve to confirm if the Class 1 sites are showing in the Data Enquiry System (DES). If they are not, Xoserve to advise how best to identify prior to Modification 0665 implementation November 2020.

Update: Dave Addison (DA) advised there is no specific way that this information is made available, for the incoming shipper, the AQ can be seen, if the AQ is below the class 1 threshold, the option is to send in a nomination. DA/ER will circulate the solution.

Post meeting update from Ellie Rogers, Xoserve:

As part of the implementation of 0665 part B (XRN4871B), a network designated indicator will be visible within Shipper Community and Shipper Portfolio view in DES at a Supply Meter Point basis.

Changes are also proposed to Shipper SPA files (including Nomination Response and Confirmation) to indicate where a site has been network designated. This is proposed to be displayed by a new data attribute: NETWORK_DESIGNATED. It will be an Optional field and will be populated "Y" where the site has been network designated and "N" where is it not.

As such, Prospective Shippers could identify them. These changes are currently in scope to be delivered within November 2020 Major Release.

Ahead of November 2020 implementation, Shippers will not have visibility of network designated sites within DES and SPA files. The Supply Meter Point Class is visible in Community view to Shippers and Suppliers via APIs which Shippers and Suppliers can sign-up to gain access.

We have discussed at DWG a potential way for Shippers to identify sites which are network designated ahead of XRN4871B being implemented. This would involve Nominating a site to the Product Class of your choice (outside of Class 1), where the AQ for that site is below the Class 1 Requirement. If the site is network designated, it will still meet the Class 1 Requirement (despite the AQ being below the Class 1 threshold) and therefore the Shipper will receive a rejection: Rejection Code CLS00002 – "Supply meter point should be Class 1". If the site is not network designated the Nomination will not receive Rejection Code CLS00002. Through this, you can identify if the site is network designated.

Action 0102 Closed

Action 0103: *Where requested the CDSP is required to pass a period of consumption data to an Incoming Shipper User when there is a Change of Tenancy (CoT):* DA to liaise with SM regarding the possibility of having to raise a Change Request with Ofgem, otherwise Shippers would not receive this data item.

Update: Xoserve have discussed this with Ofgem regarding getting the flag, Ofgem's view is that it is unlikely to go through, possible risk of non-compliance, carry forward the action and DA will liaise with SM. SM would like a change request to be raised for this to be implemented.

Carried Forward

Action 0104: *CDSP is required to pass a period of consumption data to an Incoming Shipper User when there is a Change of Tenancy (CoT):* All Shippers to provide an informal view for Xoserve to be able to decide the best way forward.

Update: Same as 0103 **Carried Forward**

Action 0201: *Rules governing the installation of converters:* AR to contact David Harper, Chair of the IGEM Technical Group to see if there is a specific recommendation as to when a corrector should be fitted.

Update: AR advised there is no legislation or regulation that that governs the installation of correctors at meter points and he would confirm that in a formalised note from the IGEM Technical Group and discuss at next meeting. **Carried Forward**

1.3. Modifications with Ofgem

0687 - Creation of new charge to recover Last Resort Supply Payments:

www.gasgovernance.co.uk/0687/

- Authority decision to 'send back' Modification 0687 received 09 October 2019
- Final Modification Report resubmitted, as requested by the Authority, 17 October 2019
- Still awaiting Authority decision

0692S - Automatic updates to Meter Read Frequency:

www.gasgovernance.co.uk/0692/

- Appeal received from EDF 07 January 2020
- See the published background to the Appeal of this Modification dated 10 January 2020
- A revised Notice of Implementation was published 16 January 2020.

1.4. Pre-Modification discussions

No pre-modification discussions to be had.

2. Workgroups

2.1. **0696 - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs**

(Report to Panel 16 April 2020)

www.gasgovernance.co.uk/0696

2.2. **0701 – Aligning Capacity booking under the UNC and arrangements set out in the relevant NExAs**

(Report to Panel 16 April 2020)

www.gasgovernance.co.uk/0701

2.3. **0697S – Alignment of the UNC TPD Section V5 and the Data Permissions Matrix**

(Report to Panel 21 May 2020)

www.gasgovernance.co.uk/0697

2.4. **0715S - Amendment of the Data Permissions Matrix to add Electricity System Operator (ESO) as a new User type**

(Report to Panel 21 May 2020)

www.gasgovernance.co.uk/0715

2.5. **0704S - Review of Transporter Theft of Gas Reporting**

(Report to Panel 16 April 2020)

www.gasgovernance.co.uk/0704

2.6. **0710 CDSP provision of Class 1 read service**

(Report to Panel 16 April 2020)

www.gasgovernance.co.uk/0710

3. COVID-19 Issues

Penny Garner updated the Workgroup and advised that, having liaised with Ofgem, it was agreed that discussions about the contractual effects and application of Force Majeure should be precluded from the meeting. While such discussions may be required at some point, the agreed view was that Distribution Workgroup is not the appropriate forum for these to take place.

Many Industry participants joined the call for this section of the agenda.

Liam King from Ofgem briefly joined the call and explained that Ofgem are aware that discussions would likely need to take place and would take time to consider how that would be facilitated. In the meantime, discussions should be with the Gas Transporters, with John Dixon advising that participants could use him as a point of contact with Ofgem.

A Workgroup participant directed the Workgroup to a document released by The Competition and Markets Authority (CMA) entitled: [CMA approach to business cooperation in response to COVID-19](#), which covers how the CMA will prioritise cases during the COVID-19 outbreak and their approach to the exemption criteria during the COVID-19 outbreak. In particular, it was highlighted that points 1.4 and 1.5 are key:

- 1.4 Throughout the UK, businesses are assisting in national and local efforts to tackle the consequences of the COVID-19 pandemic, from providing essential goods and services to consumers, to ensuring key workers can carry out their important tasks in getting the country through this crisis.
- 1.5 The CMA understands that this may involve coordination between competing businesses. It wants to provide reassurance that, provided that any such coordination is undertaken solely to address concerns arising from the current crisis and does not go further or last longer than what is necessary, the CMA will not take action against it.

A joint statement issued by the European Competition Network on the 'application of competition law during the Corona crisis', on 23 March 2020, says that 'necessary and temporary measures put in place in order to avoid a shortage of supply... are unlikely to be problematic, since they would either not amount to a restriction of competition under Article 101 TFEU... or generate efficiencies that would most likely outweigh any such restriction.'

Fiona Cottam (FC) joined the meeting to provide an update from Xoserve regarding impacts on NDM Allocation; UIG; Reconciliation; AQ and Transportation Charging.

In more detail the presentation provided a background to the current Great Britain lockdown due to the COVID-19 outbreak and detailed the unexpected impacts on Gas usage at individual sites; UIG; Meter Read performance and Reconciliation; AQ and Transportation charges. The intention of the presentation is to communicate Xoserve's view of those impacts by sector and explore possible mitigations.

Impacts of step change in NDM demand

The diagram on slide 5 of the presentation – *Impacts of step change in NDM demand*, shows a pictorial of what a step change in demand might look like.

Impacts of sudden drop in NDM demand

The diagram on slide 6 – *Impacts of sudden drop in NDM demand*, shows that through spring there is normally less demand so there is potentially less of an issue for domestic heating, but not necessarily across the whole portfolio.

Considerations

FC went on to provide a brief on the considerations that Xoserve are taking into account:

NDM Nominations and Allocation:

- Will be incorrect if usage changes suddenly – ideally the AQ would change to match the new usage
- Not all I&C sites will see a big drop in demand – some sectors will have to ramp up production to meet changing needs
- UIG will increase/decrease to offset any under/over-allocation

Reconciliation:

- Meter Point Reconciliation will correct Allocation errors and UIG
- Needs regular meter reads to correct the allocation – more important when there are unusual usage patterns – could take over between 12 and 48 months to flow through
- In theory, Monthly Read sites will see AQs react quicker due to more readings

AQ

- AQ will only follow usage in small steps, in line with accepted meter reads and will also take time to recover when usage goes back to normal,
- Class 1 and 2 transportation charges where AQ changes significantly
 - Capacity charge unit rates will increase where the AQ falls below 732,000 kWh or
 - Capacity charge unit rates will reduce where the AQ increases to over 732,000 kWh

It was mentioned that the formula year AQ could now be affected as December 2021 AQ could be significantly influenced by usage during the pandemic.

A Workgroup participant mentioned that the long-term standard transportation rate for all Class 2 sites would probably not work as charges would need to be reset and the process would be quite long.

Workgroup agreed they do not want urgent modifications being raised to address individual elements, and there is a need for a Workshop to consider options.

Workgroup thanked Xoserve for the information provided at very short notice.

New Action 0301: COVID-19 Issues: Joint Office to host a meeting in 2 weeks

Post meeting note: Meeting arranged for Tuesday 14 April

4. CSS Consequential Changes – Detailed Design Report

DA introduce the five documents of legal drafting that have been provided and advised he only intends providing a high-level overview of the two Drafting Notes, (Faster Switching and Retail Code Consolidation):

- Annex G-1
- Faster Switching – Drafting Note
- Retail Code Consolidation - ~Drafting Note
- Section G
- Section M

Faster Switching SCR

DA explained that the legal text that was prepared in May 2019 has needed to be updated and, consequently, changes have been made to TPD Section G and TPD Section M.

RP advised that *Modification 0710 - CDSP provision of Class 1 read service*, is making a lot of changes to TPD Section M but he doesn't think they impact.

DA advised he is still working through the Transportation Principal Document (TPD) and the impact on TPD section V5, when the data permissions matrix was being worked through. Two further sets of sites were identified that are out of scope – Supplier and Transporter exempt networks and added there is still lots of work to do in this area.

Retail Code consolidation SCR

DA confirmed this is an area of the code that CDSP have been looking at in relation to *Modification 0697 Alignment of the UNC TPD Section V5 and the Data Permissions Matrix*, explaining that changes would be required to: remove references to SPAA, amend to the definition of MAM and add new definitions to address the interaction with the REC.

When asked, DA clarified that *Modification 0708 - Re-ordering of the UNC in advance of Faster Switching* is taking the structure that this Modification also utilises. Da explained that he though Modification 0708 would put the structure in place and new Section G would align with the structure although he advised he would check and confirm with TS that this is the case.

AR confirmed this will require adding to the agenda for the next Distribution Workgroup meeting in April 2020.

DA confirmed that the Spring consultation will now be held in June 2020 and will include transitional text.

Workgroup thanked DA for providing the overview at the right level of detail.

5. Issues

Nothing raised at this meeting.

6. Any Other Business

6.1. Shipper Agreed Reads (SAR) Discussion

DA advised this item was left on the agenda to allow the opportunity for Shippers to consider the presentation given at last month’s meeting.

It was agreed to place an action on all participants to review the slides provided at last month’s meeting and close this as an AOB item.

New Action 0302: Shipper Agreed Reads (SAR) Discussion: All participants to review the slides provided at last month’s meeting and close this as an AOB item. The slides can be found here: www.gasgovernance.co.uk/dist/270220

6.2. New MDD Market Participant Solution

DA advised this item was left on the agenda to allow the opportunity for Workgroup participants to consider the presentation given at last month’s meeting.

It was agreed for this agenda item would be considered at the April 2020 meeting and for it to be placed higher up the agenda.

6.3. Rules governing the installation of converters

Workgroup agreed this no longer needs to be an AOB item on the agenda and will be covered in the update of Action 0201.

7. 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
09.30 Thursday 23 April 2020	Teleconference	Distribution Workgroup standard Agenda
10:30, Thursday 28 May 2020	TBC	Distribution Workgroup standard Agenda
10:30, Thursday 25 June 2020	TBC	Distribution Workgroup standard Agenda
10:30, Thursday 23 July 2020	TBC	Distribution Workgroup standard Agenda

Action Table (as at 26 March 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1102	28/11/19	6.3	<i>NGIS Reports</i> - DNs to investigate internally and report back to Workgroup	DNs	Carried Forward
1202	19/12/19	5.1	Xoserve (DA) to assess the material effort to correct the formula for Class 3 and 4 New Supply Meter Points	Xoserve (DA)	Carried Forward
0101	23/01/20	1.2	<i>NGIS Reports: (Action 1102):</i> SM will gather support and comments from ICOSS members and send email to all DNs directly.	Gazprom Energy (SM)	Carried Forward
0102	23/01/20	1.4	Xoserve to confirm if the Class 1 sites are showing in the Data Enquiry System (DES). If they are not, Xoserve to advise how best to identify prior to Modification 0665 implementation November 2020.	Xoserve (DA/ER)	Closed
0103	23/01/20	3.0	DA to liaise with SM regarding the possibility of having to raise a Change Request to Ofgem, or, Shippers will not be provided the information.	Xoserve (DA/ER)	Carried Forward
0104	23/01/20	3.0	<i>CDSP is required to pass a period of consumption data to an Incoming Shipper User when there is a Change of Tenancy (CoT):</i> All Shippers to provide an informal view for Xoserve to be able to decide the best way forward	All Shippers	Carried Forward
0201	27/02/20	6.4	<i>Rules governing the installation of converters:</i> AR to contact David Harper, Chair of the IGEN Technical Group to see if there is a specific recommendation as to when a corrector should be fitted.	JO (AR)	Carried Forward
0301	26/03/20	3.0	COVID-19 Issues: Joint Office to host a meeting in 2 weeks	JO (AR)	Closed
0302	26/03/20	6.1	Shipper Agreed Reads (SAR) Discussion: All participants to review the slides provided at last month's meeting and close this as an AOB item. The slides can be found here: www.gasgovernance.co.uk/dist/270220	All	Pending