

UNC Distribution Workgroup Minutes
Thursday 23 April 2020
via Teleconference

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Kate Elleman	(KE)	Joint Office
Alex Travell	(AT)	BU-UK
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve <i>COVID-19 only</i>
Gareth Evans	(GE)	Waters Wye Associates
Guv Dosanjh	(GD)	Cadent
India Koller	(IK)	SGN
Joanne Fergusson	(JF)	NGN
John Dixon	(JD)	Ofgem
Kirsty Dudley	(KD)	E.ON
Lee Stone	(LS)	E.ON <i>COVID-19 only</i>
Lorna Lewin	(LL)	Orsted
Louise Hellyar	(LH)	Total Gas & Power
Max Lambert	(ML)	Ofgem <i>COVID-19 only</i>
Michele Downes	(MD)	Xoserve <i>COVID-19 only</i>
Nigel Bradbury	(NB)	CIA
Oorlagh Chapman	(OC)	British Gas
Paul Youngman	(PY)	DRAX
Rhys Kealley	(RK)	British Gas <i>COVID-19 only</i>
Richard Pomroy	(RP)	Wales & West Utilities
Sally Hardman	(SH)	SGN
Shanna Barr	(SB)	NGN
Steve Britton	(SBr)	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/230420

1. Introduction and Status Review

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

1.1. Approval of Minutes (26 March 2020 and 14 April 2020)

The minutes from the previous meetings were accepted.

1.2. Review Outstanding Actions

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

Update: Linked with 0101: take out of this workgroup now – actions parked to some extent – leave on agenda. TS advised progress has been hindered by the current COVID-19 conditions, however, this action needs to remain as an action as it is applicable to all parties and Distribution Workgroup is the best forum for it to sit in. **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: ER advised this is lesser of a priority at the moment due to the current resources being allocated to COVID-19 issues. **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: *Linked with 1102:* GE advised discussions are taking place around identification of critical data items. Progress has been hindered by the current COVID-19 conditions. **Carried Forward**

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 potential to raise a Change Request with Ofgem in relation to the specific data item.

Update: Progress has been hindered by the current COVID-19 conditions. **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 to Xoserve for them to consider options.

Update: Progress has been hindered by the current COVID-19 conditions. **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 provided a paper which supports the conclusion of this action is appended to this set of minutes (see Appendix 1). The paper includes the response from David Harper Chair of the IGEM Technical Group. **Closed**

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

Update: Total Gas and Power confirmed the draft Modification will be circulated shortly. **Closed**

1.3. Modifications with Ofgem

AR drew attention to the current status of the Modifications awaiting Ofgem direction:

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
- 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.

0711 – Update of AUG Table to reflect new EUC bands

www.gasgovernance.co.uk/0711/

- Final Modification Report submitted 27 March 2020
- Awaiting Authority decision

1.4. Pre-Modification discussions

No pre-modification discussions to be had.

2. Workgroups

2.1. 0697S – Alignment of the UNC TPD Section V5 and the Data Permissions Matrix

(Report to Panel 21 May 2020)

www.gasgovernance.co.uk/0697

2.2. 0710 CDSP provision of Class 1 read service

(Report to Panel 16 April 2020)

www.gasgovernance.co.uk/0710

3. COVID-19 Issues

AR confirmed the Ofgem timetable that has been set for the 4 Urgent Modifications.

Process	Date
Ofgem Decision on Urgency	22 April 2020
Consultation Commences	22 April 2020
Consultation Close-out for representations	27 April 2020
Final Modification Report available for Panel	28 April 2020
Modification Panel recommendation	30 April 2020
Ofgem Decision expected by	1 May 2020

AR clarified that, although not in the Ofgem timeline, the deadline is **1pm** Monday 27 April for representations to be submitted.

GE was invited to describe Urgent Modifications 0721 & 0722 and explained these proposals, in-line with the suite of Urgent Modifications, are specific to COVID-19 and are in line with Government legislation, and consequently, the legal drafting refers to the Coronavirus Act 2020 and associated Regulations. GE confirmed that once the COVID-19 “lockdown” period is over, these processes will be removed.

TS clarified that Northern Gas Networks have written the legal text for all four Modifications adding that this has been done in 2 parts for each Modification; Part 1 is applicable to all four Modifications and Part 2 to 6 have elements specific to each Modification.

TS expressed her concern that whilst there are specific actions required in order to execute each Modification for the specific time period, some actions may have long term consequential impacts which could require in further Modifications to be raised subsequently to correct actions taken during the COVID-19 lockdown period.

AR then provided the Modification proposers an opportunity to provide an overview of the purpose of the Modification, outline the Solution and review Legal Text.

Modification 0721 (Urgent) - Shipper submitted AQ Corrections during COVID-19

Purpose: To authorise the CDSP to accept Annual Quantity (AQ) corrections from shippers in order to amend the AQ as a result of the changing consumption of the end user due to the COVID-19 crisis.

GE explained the Modification includes new criteria which allows shippers to change AQs in the system using existing functionality.

DA clarified Xoserve are currently reviewing what they can process in terms of volume; with the number of sites in EUC Bands 2-9 giving an indication of numbers. The view is that this Modification could be used where Users cannot take advantage of *Modification 0723 (Urgent) - Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period.*

In summary, AR clarified Modification 0721 is specific to EUC Bands 2-9.

LH asked how a User could move a Supply Point from EUC Band 1 to 2. DA advised the User would need to assess existing the AQ Correction criteria. TS added that the legal text stipulates that on the 1st day of the relevant period, the Supply Point must be in EUC Bands 2-9. If the Supply Point is in EUC Band 1 at the beginning of the process, then Modification 0721 would not apply.

FC clarified that Xoserve are monitoring a small number of sites in the Daily Metered (DM) market; if it looks like the AQ is going to fall below the 732,000 kWh threshold, they may need an AQ correction to hold the AQ above that level. Xoserve will monitor and liaise with the shipper concerned if this scenario is identified.

GD mentioned there is no reference to Transportation Charges within the Modification in terms of consequential impact. It was confirmed that the AQ on which Transportation Charges are based, which is set once a year, would not be amended.

Modification 0722 (Urgent) - Allow Users to submit Estimated Meter Reading during COVID-19

Purpose: Allow Users to submit Estimated Meter Readings as Actual Meter Readings for Non-Daily Meter sites during COVID-19 lock-down period.

GE clarified this Modification would allow shippers to submit estimated meter readings that reflect actual usage during this period of reduced consumption.

It was confirmed that where a future actual reading is found to be lower than an estimated reading, submitted during the COVID-19 period, the shipper would have to manage this as a change to the historical readings; Xoserve systems would not be able to distinguish between an estimated reading that has been submitted as an actual reading, (during this period), and a (genuine) actual reading.

Modification 0723 (Urgent) - Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period

Purpose: To enable Shipper Users to utilise the central systems isolation flag, under specific circumstance, without warranted activities taking place, during a COVID-19 period. Allowing for sites where businesses have closed due to COVID-19 to be excluded from the AQ calculation, and therefore from UIG allocation during the relevant period.

TS clarified Modification 0721 has capacity implications whereas this Modification deals with commodity, adding that Users should use the tool that is most appropriate to the individual circumstances.

It was confirmed that when a Site is in a temporary isolation status, it should not impact AQ calculations and that if the isolation flag is put on, it is the shippers responsibility to remove it.

When SM asked for the logic of using a 2.5% permitted consumption level, JF explained this mirrors the threshold set in a gas transporter's licence for de minimis activities. SM suggested monitoring should be applied to the 2.5% to ensure it is set correctly. TS suggested that incorporating monitoring, considering the timescales for urgency, would be complex and would not help enable a quick implementation.

Modification 0724 (Urgent) - Amendment to Ratchet charges during COVID-19 period

Purpose: To make Ratchet charge changes during COVID-19 period to avoid the application of incentive charges where consumption at specific sites is increased above the agreed booked capacity to support local/national needs during the COVID-19 pandemic.

TS explained that under current process transporters are obliged to calculate Ratchet Charges where a Class 1 or 2 site exceeds their booked capacity. As a result of the COVID-19 pandemic a number of sites are having to increase their production in order to support the local/national needs caused by the crisis.

Usage over the booked capacity for these sites would not only see them incur ratchet charges for the period, they would also have an increased System Offtake Quantity (SOQ) after the COVID-19 period, without the need for the increased capacity after the crisis. This would result in additional capacity charges being incurred until they can request a decrease at the start of the SOQ reduction window in October 2020 or later should the crisis continue.

This Modification will add a set of rules to the UNC Transition Document to moderate Ratchet Charges and permanent changes to SOQ for sites that meet the 'COVID-19' criteria for the qualifying period, (the end date of which will be determined in line with government advice and requirements). A retrospective element would also be included to allow for these provisions to be backdated to cover the period from 23 March 2020, as outlined in the Coronavirus Act 2020.

TS explained there are certain types of business that are changing or increasing what they do and creates an increase in consumption.

TS confirmed the legal text mirrors the Modification mirrors the intent of the proposal and if there are additional requirements, these would need to be done in an additional Modification.

Certain clauses from within UNC were discussed, specifically Section B4.7.7 which includes the multiplier the proposal seeks to change. TS advised the principal intention of the Modification is to ensure that Sites helping with the COVID-19 effects have their ratchet charges moderated.

There followed a discussion on the formula being used and the usage of the correct algebra. GE advised he will provide some suggestions in his Consultation response.

In terms of Class 2 Supply Points, it was proposed that the value of J, in the formula set out in Section B4.7.8, be set at 1, which would have the effect of significantly reducing the Ratchet Charge.

TS advised the intent is to be cost neutral, although she acknowledged it is a very complex formula. JF confirmed the correct algebra would be applied to calculate any adjustments.

It was highlighted there may need to be a change to the legal text where in 5.1(b) it refers to B4.8.3, this should be B4.7.8.

GE confirmed he would provide clarification of this point direct to TS in an email.

TS clarified she had not included an additional step for an appeal to request for charge adjustments, as this only relates to a handful of sites and NGN are trying to help the sites and hope to avoid having to reject any requests.

Following discussion of the individual Urgent Modifications, DA advised that Xoserve are looking at how to organise a forum to discuss any change requests and the technical detail of the Modifications. This will be circulated to industry and communicated through company advocates

RP updated Workgroup on the drafting of a Modification that came out of the meeting held on 14 April with regards to the impact on charges of Rolling AQ on the Formula Year. He explained his concern with regards the charging implications associated with such a Modification and asked for any views from Workgroup to be sent to him direct.

GE said that it would be beneficial for Workgroup to have an understanding of the obligations in UNC in order to frame discussions.

4. CSS Consequential Changes – Detailed Design Report

4.1. Treatment of Information post REC Implementation

DA advised actions are being progressed through the DSC Contract Management Committee.

Workgroup agreed to remove this item from the agenda.

4.2. Exceptional Supply Points REC

DA asked Workgroup for any views on the information previously provided on what is in or out of scope for Exceptional Supply Points.

KD asked how the discussions with Ofgem are progressing, DA advised this would be managed through the Design Workgroup and will provide further information in due course.

Workgroup agreed to remove this item from the agenda.

5. Issues

Nothing raised at this meeting.

6. Any Other Business

6.1. Update on DESC’s Seasonal Normal Review 2020 (MP)

Mark Perry (MP) joined the meeting and advised he was attending different forums to provide awareness of the Seasonal Normal Review that is due to be implemented later on this year.

This was in response to a request around greater transparency that had been raised at a previous workgroup.

MP shared a presentation to the Workgroup, which included the background to the changes, the timeline and implementation.

MP explained that from 01 October 2020 a new Seasonal Normal basis will take effect, which means that:

- the Composite Weather Variable (CWV) formula will change (to include Solar Radiation); the Seasonal Normal Composite Weather Variable (SNCWV) values will change.
- Class 3 and 4 NDM Nominations and Allocations will be using CWVs based on the new formula and the revised SNCWV values.
- all Rolling AQs / SOQs for Class 3 and 4 Supply Meter Points will reflect the new view of Seasonal Normal weather.

MP added that Billing AQs / SOQs will remain unchanged and will only reflect the new Seasonal Normal basis from April 2021 (based on December 2020 snapshot).

Any questions on the Seasonal Normal Review 2020 process can be directed to the Demand Estimation team at Xoserve Email: Xoserve.demand.estimate@xoserve.com

7. Diary Planning

It was agreed that a meeting arranged by Xoserve will organise a meeting where the technical aspects of the Urgent Modifications can be discussed as part of Agenda item 3. DA confirmed the meeting is likely to take place in the middle of week commencing 27 April 2020.

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10:00, Thursday 28 May 2020	Teleconference	Distribution Workgroup standard Agenda

10:00, Thursday 25 June 2020	TBC	Distribution Workgroup standard Agenda
10:00, Thursday 23 July 2020	TBC	Distribution Workgroup standard Agenda

Action Table (as of 23 April 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1102	28/11/19	6.3	NGIS Reports - 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	NGIS Reports: (Action 1102): SM will gather support and comments from ICOSS members and send email to all DNs directly.	Gazprom Energy (SM)	Carried Forward
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	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	All Shippers -	Carried Forward
0201	27/02/20	6.4	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	Joint Office (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	Closed

APPENDIX 1

Distribution Workgroup: Action 0201

Action:

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.

Response from David:

All volume conversion is applied in accordance with the Gas (Calculation of Thermal Energy) Regulations.

Within these regulations there are three methods, Reg 2(c) No conversion device, 2(b) temperature only conversion and 2(a) Using a PTZ conversion.

The IGEM standards applicable are GM/8 and GM/5. (With GM/4 as well, but that is more complicated, so I have not included it here for simplicity)

Converters are required where there is:

- A wide pressure control band, outside of the limits required to use fixed factors (+/- 10% of the intended set-point as a gauge pressure below 100 mbar and +/- 1% of the intended set point in absolute pressure above 100 mbar) (GM/8 Part 1, Table 4).
- A Non-standard metering pressure where the Annual Quality (AQ) is below the threshold for the application of a site-specific fixed factor (732 MWh/year) (GM/8 Part 1, 9.3.3)
- Upstream metering, that is, where the meter is upstream of the pressure controls. (GM/8 Part 1, 7.6.7) also under 1. above
- Unregulated supply (GM/8 Part 1, 7.6.8.2) also under 1, above

GM/5 is less prescriptive covering the need for converters in the Introduction and quoting legal requirements, contractual obligations, the requirements of a GT's Network Code (or NExA), under variable pressure or temperature conditions, and to reduce fixed factor conversion errors.

MAMs have internal procedures that may require the installation of a converter, typically, if the metering pressure is over 500 mbar or the AQ exceeds a given threshold (often 732 MWh as applied by British Gas back in the late 1980s) (as well as the requirements above).

It is common for consumers to request the installation of a converter, often associated with their EU ETS submissions and achieving the necessary accuracy tier.

It is less common for gas suppliers to request a converter, anecdotally, they are more likely to ask for one to be removed or specifically request that one is not fitted, to simply their billing chain. Where there is a technical reason to include one, this is not the gas supplier's decision to make, they are sometimes insistent though.

In summary, converters are not always installed where they should be or where the benefit, in accuracy of the bill against cost of provision, is compelling.

Note: There are now meters using thermal mass flow technology, these meters only display converted volume in standard cubic meters, automatically converting using internal pressure and temperature. When these meters are used, the conversion factor in the billing system must be set at 1.0.

UNC Workgroup 0697S Minutes Alignment of the UNC TPD Section V5 and the Data Permissions Matrix

Thursday 23 April 2020

via Teleconference

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
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Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0697/230420

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 July 2020.

1.0 Introduction and Status Review

1.1. Approval of Minutes (26 March 2020)

The minutes from the previous meeting were accepted.

1.2. Review Outstanding Actions

Action 0101: DA to review data access regarding SPAA items – this includes ETTOS/TRAS; Transporters and Commercial access

Update: DA advised, due to other commitments during the COVID-19 Lockdown, he has not been able to complete this action. **Carried Forward**

2.0 Amended Modification

AR explained a new version of the Modification was published 31 March 2020.

Legal text has been published and will be reviewed at the next meeting on 28 May 2020.

ER reminded Workgroup that previous discussions centered around an updated approach which is removing DPM Users from Uniform Network Code (UNC) and placing them in the Data Permissions Matrix (DPM) and detailing them in the Operating Guidelines.

ER advised Workgroup that the amendment made to the Modification related to the disclosure of historic meter asset and read data, currently as specified in Section V5.15. It is proposed that in future these provisions should be incorporated into Section M.

ER explained there may be a requirement for a further Modification to grant permission to introduce new Users into the DPM, however UNC legal text would not be required.

KD advised that she would not want a Modification raised for the sake of it and questioned if there is no legal text required, was a UNC modification the appropriate process. DA responded and clarified that the DPM Modifications are largely to do with releasing protected information and that Users should have the opportunity to review and consult on them. KD wondered if, for future governance, could this type of Modification be sent straight out to consultation or maybe have just one Workgroup. DA advised there is benefit from this type of Modification being developed in Workgroup as discussing the adding of parties to the DPM, helps understanding and the purpose of the release of the data. He referred to the recent *Modification 0715S - Amendment of the Data Permission Matrix and UNC TPD Section V5 to add Electricity System Operator (ESO) as a new User type* and advised that it was useful to understand why that party should be accessing the data.

AR agreed with the comments made regarding Modification 0715S and reminded Workgroup that there was lots of discussion regarding the introduction of “Research Body” into the DPM and suggested that some of these data-release related Modifications are not always straightforward.

AR went on to show Workgroup a sample amended page of the Operating Guidelines DPM Conditionality Document (using the Alt Han Company Limited as an example) and advised in future this would be used as a go-to document which would determine “Who and Why” parties are in the DPM. Going forward, any party included in the DPM would require a similar page.

ER advised this is an initial draft for what Xoserve are currently calling the Operational Guidelines, although this may change to Framework, and will be taken to the DSC Contract Management Committee for approval. SM challenged the usage of the word Framework and suggested the document is more of a public facing summary. It was acknowledged that use of “Framework” was simply a working title to give the document more status and that it may change going forward

ER this is an initial draft and would be circulated to give visibility to parties that do not sit on the DSC Contract Management Committee.

ER confirmed she is currently updating the IGT equivalent Modification.

3.0 Review of Legal Text

AR confirmed that the legal text has been published and will be reviewed at the next meeting on 28 May 2020.

4.0 Development of Workgroup Report

AR will provide draft Workgroup Report for discussion at the next meeting.

5.0 Next Steps

AR confirmed the next steps for this Modification:

- ER will commence drafting a framework document to accompany the Modification for next meeting.
- The framework document will be tabled at the next DSC Contract Management Meeting for review and approval.
- Review of the legal text
- AR will provide draft Workgroup Report for discussion at the next meeting.

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
10:00, Thursday 28 May 2020	Teleconference	Distribution Workgroup Standard Agenda

Action Table (as of 23 April 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0101	23/01/20	2.0	DA to review data access regarding SPAA items – this includes ETTOS/TRAS; Transporters and Commercial access	Xoserve (DA)	Carried Forward

UNC Workgroup 0710 Agenda
CDSP provision of Class 1 Read Service
Thursday 23 April 2020
Via Teleconference

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
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David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
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India Koller	(IK)	SGN
Joanne Fergusson	(JF)	NGN
John Dixon	(JD)	Ofgem
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Louise Hellyar	(LH)	Total Gas & Power
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Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0710/230420

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 June 2020.

1.0 Approval of Minutes (23 March 2020)

The minutes for previous meeting were reviewed and accepted.

1.1. Review of outstanding actions relating to Modification 0710

No outstanding actions to review

2.0 Consideration of Amended Modification

AR confirmed an amended Modification was published 15 April 2020.

RP provided a walkthrough of the changes made to the Modification and explained that the governance for this Modification was originally Authority Direction and he is now proposing Self-Governance. RP reminded Workgroup that UNC Panel asked Workgroup to consider if this Modification should be self-governance. The justification for this is included in the amended version of the Modification and is shown below for reference:

Justification for Self-Governance:

This modification transfers the obligation from Transporters to the CDSP and therefore the price cap on the Daily Metered Read charge in Condition 4D of the Transporter licence will no longer apply to this service. This is a significant change; however, given that the contracts between the DNOs and Daily Metered Service Providers are being novated in the short term there should be no effect on the charges Shippers receive and in the longer term the freedom for Suppliers to define the service will enable them to influence the charge. In addition, this service is provided to the largest consumers and the longer term potential for this service to change, although potentially providing Shippers with more influence and possibly choice in meter reading, could affect competition between Shippers in respect of these customers.

It is worth noting that the workgroup was asked to consider whether this modification should be self-governance (this was in response to a question from Ofgem although this is not recorded in the minutes of the UNC modification panel 21st November 2019). In addition, the COVID-19 emergency means that there is an argument for not burdening the Authority with additional work at this time together with the possible delay this may entail and therefore the view of the proposer is that on balance this modification should be subject to self-governance.

AR confirmed the decision to change from Authority Direction to Self-Governance would be up to UNC Panel.

SM commented the UNC Governance criteria for self-governance appear to be being changed, AR clarified RP is only asking Panel to consider. RP added that if this Modification were to remain as Authority Decision, it is unlikely there will be an Ofgem decision before September 2020.

John Dixon, Ofgem, joined the call and said this Modification would be looking at looking at around 1000 sites, which is a minimal amount in terms of materiality and that he does not feel it should go to Ofgem, he would be happy for it to be a self-governance Modification.

SM commented it would be preferable if the new CDSP charging structure and charges were made visible as part of this development process. AR concurred that the new DSC charging arrangements are relevant to these Workgroup discussions.

TS added, with regards to the service change, this is driven by the costs to Networks of providing the service rather than market forces, so on that basis, this is not a competition issue.

RP clarified he will incorporate Workgroup discussions into a subsequent version of the Modification.

JD added that it should not matter how busy Ofgem are, they should be able to do their job, this is a very dynamic situation.

AR suggested that the Modification could remain as currently drafted add comments in the Workgroup Report at the next Workgroup meeting in May 2020 to say whether the Workgroup did, or did not, support the suggested move to Self-Governance.

Solution:

RP went on to highlight the amendments made to the Solution of the Modification and clarified it would apply only apply to datalogged supply points, (telemetered supply points would be excluded) and a significant proportion of the change references the different treatment of the two types of supply point.

RP explained that the timing of the provision of the meter readings is in two places in UNC Code, and there is a degree inconsistency in the timings set out in UNC Code that has existed for some time; one section says 11am, one says 12noon. This happened when *Modification 0466AV - Daily Meter Reading Simplification (with improved within day data provision)* was implemented, the legal text changed one of the times to 12noon but did not change the section that stipulates 11am.

The Within Day Read Service currently relates to Shippers and WWU are proposing an equivalent service for Transporters, with by including it the schedule of DSC Service Lines.

Implementation

SM asked if the Modification is still proposing a 2020 implementation, RP advised that the timeline of the Modification may mean it might not be finalised until the August UNC Panel, therefore, an early 2021 implementation would be more realistic.

RP continued to provide a summarised walkthrough of the legal text which is provided in a summary paper published here: www.gasgovernance.co.uk/0710/230420.

Although the Modification is now stabilized, RP confirmed he will update it in relation to the Governance points made at the meeting.

3.0 Completion of Workgroup Report

As consideration of Modification 0710 by UNC Panel has been deferred to June 2020, completion of the Workgroup Report will commence at the next Workgroup meeting in May 2020.

4.0 Next Steps

AR confirmed the next steps:

- Review the amended Modification
- Establish Workgroup views on moving to Self-Governance
- Thorough look at section M in conjunction with the supporting documentation

5.0 Any Other Business

None.

6.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00, Thursday 28 May 2020	Teleconference	Distribution Workgroup standard Agenda

Action Table (as at 26 March 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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0201	27/02/20	2.1	<i>Legal Text:</i> All to provide feedback regarding section 6.5.1 & 6.5.2 being removed, the within day read provision would then become part of the DSC Service Line. Deadline is 13 March 2020.	All	Closed
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