

UNC Distribution Workgroup Minutes
Monday 14 December 2020
via Microsoft Teams

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Sonniya Fagan	(SF)	Joint Office
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (Workgroup 0693R only)
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
India Koller	(IK)	SGN
Joshua Merriweather	(JM)	Cadent (DWG only)
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Rebecca Cailles	(RC)	BU-UK
Rose Kimber	(RK)	CNG Ltd
Shiv Singh	(SS)	Cadent (DWG only)
Steve Britton	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tim Davis	(TD)	Barrow Shipping Ltd
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/dist/261120

1. Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting.

1.1. Approval of Minutes (26 November 2020)

The minutes from the previous meetings were agreed.

1.2. Approval of late papers

AR advised Workgroup there were no late papers to consider for Distribution Workgroup.

1.3. Review Outstanding Actions

Action 0103/0104: *Change of Tenancy Flag / CSS issues Original Action:* 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.

Update: Dave Addison (DA) confirmed there is no update available but will endeavour to provide the information required for the next meeting in January 2021. **Carried Forward to review January 2021**

Action 0801: Ofgem to consider whether there are any further actions open to Ofgem regarding recent AQ Amendments by one Shipper recognising that there has been a material impact on Shippers and whether this can be addressed retrospectively.

Update: AR advised this will be covered within Modification 0746 and will be covered either via the solution in Modification 0746 or as a separate action under Workgroup 0746. **Closed**

Action 1101: Increased DM SOQ Flexibility - TD will discuss with AR to agree the best approach.

Update: Action complete. AR confirmed a new Request (www.gasgovernance.co.uk/0749) has been raised to cover this topic and is being presented to UNC Panel on Thursday 21 January 2021. **Closed**

Action 1102: Modification 0730 - COVID-19 Capacity Retention Process: SM, DA and subsequently TS, (the legal text provider), to convene and resolve in order to produce a Variation and new legal text.

Update: AR confirmed that Modification 0730 was discussed at an extra ordinary meeting held on 27 November 2020 where it was decided Modification 0730 needs to be varied, therefore a Variation has been raised which includes a revised Business Rule and revised legal text.

AR confirmed it was the consensual view of Workgroup that the Variation should be accepted and the varied Modification (& FMR) be issued for a short re-consultation of 5 Business Days.

In relation to the Panel Action paper (PAN 11/03), DA wanted to draw attention to the caveats included and that everyone is aware that the values are based on information received from shippers to date and that values could change, if more information becomes available. He added that CDSP are unsure what the capacity rebate will do in terms of behaviour and any future lockdowns.

The Workgroup Supplemental Report was updated during the conversation to reflect that the CDSP advised that an updated Panel Action Paper is to be provided to accompany this report and the CDSP underlined that the caveats in the paper should be noted. AR added extra words to the Workgroup Supplemental Report to reinforce the paper is a caveated paper.

Kirsty Dudley (KD) clarified that the Modification was discussed previous Panel meeting where it was confirmed that there would be no requirement for an IGT modification to be raised.

DA clarified that Business Rule 5 may require IGTs to re- consider as IGTs may be party to a process.

Heather Ward (HW) advised that Gemserv took an action at the IGT meeting to investigate the need for an IGT modification. It was discussed that, because the Shippers need to do something, it may have an impact on the IGT UNC.

SM confirmed that this is simply a validation process only and he does not believe the introduction of the extra business rule creates an IGT impact and confirmed he would not be raising an IGT modification. He added there is no logic as to why the final step of a process, where previously it has been stated there is no IGT impact, can now be deemed to have an impact.

AR clarified that Joint Office would contact Gemserv to identify if there are any concerns. This modification will progress on the merits that are presented in the paper now. If there is an IGT impact, this would need to be dealt with separately.

New Action 1201: Joint Office (AR) to contact Gemserv to identify if there are any concerns and if an IGT modification is required.

Post meeting note: The view of the IGT UNC Code Administrator is that, provided LDZ Capacity Charges for supply points downstream of CSEPs are part of the rebate scheme, to accommodate the shipper confirmation process in Business Rule 5, an IGT UNC Modification would be required.

Tracey Saunders (TS) advised, in relation to the legal text, that due to the delays with this modification, changes relating to references to the relevant COVID-19 Regulations have been removed and placed in a Fast-Track Modification which is due to be presented to UNC Panel on Thursday 17 December 2020.

AR confirmed the next steps for modification 0730:

The revised FMR, including the Supplemental Report will be presented to UNC Panel on Thursday 17 December 2020 where Panel will be asked to decide on the materiality of the variation, should it be re-issued to consultation, the view of the Workgroup is that the re-consultation should close to allow the varied Final Modification Report to be presented to UNC Panel in January 2020.

SM advised if this is deemed to go back out to consultation, he would be asking if he can include the following Panel Questions into the Consultation to assist future CDSP analysis:

The likely utilisation of Modification 0730 based on a National Lockdown

1. Aggregate number of Supply Points in Scope
2. Aggregate volume (kWh)
3. % of Supply Points where the relief from Mod 730 would pass directly to the Customer (i.e. pass-through contracts)

This concluded the discussion on Modification 0730 and Action 1102 was closed.

Closed

1.4. Modifications with Ofgem

Max Lambert passed on his apologies for this meeting. AR advised that no further update has been provided and that the information given at last month’s meeting would still stand, as below:

Modification	Ofgem update
0701 - Aligning Capacity booking under the UNC and arrangements set out in relevant NEXAs	A DSC change has been implemented which flags sites with a NEXA so some benefit to sites already, so modification has been deprioritised.
0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NEXAs	DSC change has been implemented which flags sites with a NEXA so some benefit to sites already, so modification has been deprioritised.
0687 - Creation of new charge to recover Last Resort Supply Payments	This has been deprioritised whilst an alternative system for recovery of levy payments is developed under the REC.

1.5. Pre-Modification discussions

None for this meeting.

2. Workgroups

2.1. 0693R – Treatment of kWh error arising from statutory volume-energy conversion

(Report to Panel 17 December 2020)

<https://www.gasgovernance.co.uk/0693>

2.2. 0734S – Reporting Valid Confirmed Theft of Gas into Central Systems

(Due to report to Panel 18 February 2021)

<https://www.gasgovernance.co.uk/0734>

2.3. 0746 - Clarificatory change to the AQ amendment process within TPD G2.3

(Report to Panel early on 15 April 2021)

3. UIG Update

3.1. UIG Update

Ellie Rogers (ER) provided an update:

The LDZ National UIG continues to be published on the Xoserve secure section of their website: <https://xoserve.sharepoint.com/sites/XEUKLINKDev/>

- Folder 18
- Subfolder "Demand Estimation Project Nexus" for the daily UIG values - document "LDZ UIG Values"
- Subfolder "UIG" for the Monthly industry portfolio reports

As of last week, daily tracking of National UIG showed that it had been much less negative and volatile during England's second lockdown, mainly between -5% and +5%.

It is assumed this is due to a mixture of more businesses staying open during this second lockdown and having moved beyond the autumn "shoulder period" into more consistently colder weather.

Although the UIG Task Force has been formally closed, the email box is still monitored for UIG queries: uigtaskforce@xoserve.com.

4. COVID-19 Issues

4.1. Update from October 2020 UNC Panel

AR advised there is nothing new to add Nothing new to add under this topic, but it will continue to be a standard agenda item at the Distribution Workgroup.

Tracy Saunders (TS) advised Workgroup of her new Modification 0750 - Amendment to regulations relating to Covid Modifications, which is intended to be Fast Track, is due to be presented to UNC Panel on Thursday 17 December 2020.

The Modification will update the quoted regulations in the Uniform Network Code (UNC) Transitional Arrangements Document Part VI for the devolved governments with the new regulations that replace them, as well providing clarity to obligations and future proofing against further amendments to regulations.

5. CSS Consequential Changes – Detailed Design Report

DA provided the following update:

- The Retail Code Consolidation, (RCC) SCR proposed text was sent to Ofgem last week, which will be deleting TPD V5.14.

Ofgem had hoped to provide a view of their deliberation but have now decided to put this in the consultation document, CDSP will need to wait for the conclusions of the consultation and the 2nd version of RCC for those change to take effect.

- Attention needs to shift to the next Faster Switching consultation, (anticipated during March 2021), and there will be an action to review the proposed enabling text to ensure it still aligns with the design.
- Changes to GTD and Transitional Rules, there will be a need to make sure Code supports those changes.
- When RP asked if the consultation on the Modification Rules is due out shortly, DA confirmed this.

RP also clarified that a comment made from the last consultation that everyone was broadly in agreement with Ofgem proposals, although RP noted, as evidenced by a second consultation, this may not necessarily be the case.

DA advised he believes the latest change to the modification rules is to propose any Code Administrator can raise any change to any Code and that this has been challenged by the CDSP, since as drafted, for example, the BSC could raise a UNC modification whereas it would be much simpler if each Code Administrator could just make changes to their own Code.

When RP asked, regarding the Faster Switching rules, if there is a year to get the rules in to Code, DA confirmed that is the case but added that nominations run for 6 months and he is yet to see the detail on the Transitional Rules, although the CSS Program office are confident they are well defined. It is the Transitional Rules that are expected to be delivered in the next set of text.

DA advised he is starting to collate questions with regards to what has been included in previous versions of UNC but Industry has moved since those baselines were set.

New Action 1202: CSS Consequential Changes – Detailed Design Report - DA to provide a view of the issues that he is thinking through in relation to CSS Consequential Changes ahead of next meeting for review in Workgroup.

6. Issues

None raised.

7. Any Other Business

7.1. Update on the CDSP's consultation on the NDM Algorithm

Mark Perry (MP) provided an update on the CDSP consultation on the NDM Algorithm; a summary of the key message from the industry responses and conclusions; an update on the recent enhancements to Demand Modelling and suggested next steps and the indicative timeline.

MP explained the objective of the consultation on the NDM Algorithm was to gather quantitative feedback on the level of support for improvements in the Non-Daily Metered (NDM) gas allocation algorithm; gather additional information on whether there is a requirement to retain the existing NDM gas allocation formula; gather views on the future direction of the NDM sector of the GB gas market, and to quantify any financial benefits of a reduction in UIG due to improvements in the NDM allocation algorithm.

MP advised 8 responses were received and, where permission was granted, the individual responses are published on the Joint Office website here: www.gasgovernance.co.uk/DESC/ConsultationIndustryResponses. A summarised conclusions document has been produced and can be found here: www.gasgovernance.co.uk/DESC/Consultation.

The headline conclusions from the consultation are as follows:

- Strong support from all respondents to seek improvements to the performance of the NDM Algorithm, with many referencing the consequential benefits of lower/less volatile UIG

- Qualified support for Machine Learning (M/L). Most responses happy to consider an option where M/L is used to improve the existing parameters (i.e. ALPs/DAFs) but NOT to move to a fully 'Blackbox' approach
- Any significant changes from the current approach to Demand Modelling which results in the use of advanced analytical techniques (e.g. Machine Learning) should be proven using simulation and/or parallel running with clear benefits to the industry demonstrated
- Strong support from most respondents to continue with the current NDM Algorithm and to retain its existing parameters i.e. ALPs and DAFs. Very clear that these are embedded across the industry for not just NDM allocation but several other processes
- Responses suggest there will continue to be a requirement to estimate NDM demand for several years to come and so investigating alternative options would not be wasted effort

KD asked where the decisions likely to be made and what happens next. MP suggested now CDSP have a narrower idea of how to take this forward and there may be a requirement for a UNC Review Group, that meets every month and sits alongside DESC.

KD clarified this could be a Review Group that is more open to all Industry participants rather than, at DESC, participants are more technically focussed.

Next Steps

MP summarised the next steps as being:

- Assess feedback from customers at industry forums in December
- DESC's review of the NDM Algorithm will be difficult to complete during its 'normal business' and current meeting schedule in 2021 (not frequent enough)
- To keep focus, quick progress and to increase visibility of options and discussions the CDSP is recommending a UNC Review Group be established
- Objective would be to investigate whether the use of advanced analytical technique options e.g. Machine Learning, in the derivation of the parameters used in the current NDM Algorithm could further improve the accuracy of the NDM allocation and subsequent UIG
- Simulation and parallel running, similar to the results on slides 17/18, would be necessary to demonstrate the benefits of any alternative options
- An industry party would be required to sponsor the UNC Review Group

Workgroup discussed the viability of creating a Review Group and concluded it would be preferable to look at drafting either in the form of a modification and/or the terms of reference for discussion at the next meeting in January 2021, where a pre-modification discussion could take place. A modification could then be raised ready for the February 2021 UNC Panel.

For more detail please refer to the published presentation on the [meeting page](#).

7.2. AQ Calculations pre-modification

SM provided a brief view of a modification he is considering for submission to the January 2021 UNC Panel.

Problem statement: *The dynamic nature of the rolling AQ means that Supply Points in Class 1 & 2 with a relatively large SOQ but reducing AQ could end up falling below the Customer Charge threshold, 25,000 Therms, after which a much higher Customer Charge is applied.*

Proposal: *Gazprom Energy proposes that for Class 1 & 2 sites the Customer Charge is linked to the Formula Year AQ (FYAQ) and not the Rolling AQ. In Class 1 & 2 the SOQ cannot be*

changed dynamically throughout the year to match the Rolling AQ and thus it creates this position of a reducing Rolling AQ whilst the SOQ remains artificially high.

This is not a problem in Class 3 & 4 were the SOQ is a function of the Rolling AQ.

SM explained when an AQ moves below certain thresholds it derives a different calculation.

When RP asked if this is to do with the 732,000 kWh when a higher customer charge is applied, SM confirmed that it was: 25,000 therms roughly equates to 732,000 kWh.

SM requested feedback before it is presented as a new modification to the January UNC Panel.

No further questions raised.

8. Diary Planning

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

Time / Date	Venue	Workgroup Programme
Thursday 28 January 2021	Teleconference	Distribution Workgroup standard Agenda

Action Table (as of 14 December 2020)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0103 & 0104	23/01/20	3.0	Change of Tenancy Flag / CSS issues: (Original Action: 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.)	January 2021	CDSP (ER)	Carried Forward
0801	27/08/20	1.5	Ofgem to consider whether there are any further actions open to Ofgem regarding recent AQ Amendments by one Shipper recognising that there has been a material impact on Shippers and whether this can be addressed retrospectively.	December 2020	Ofgem (JD)	Closed
1101	26/11/20	1.5	Increased DM SOQ Flexibility - TD will discuss with AR to agree the best approach.	December 2020	Joint Office (AR)	Closed
1102	26/11/20	4.0	Modification 0730 - COVID-19 Capacity Retention Process SM, DA and subsequently TS, (the legal text provider), to convene and resolve in order to produce a Variation and new legal text.	December 2020	Steve Mulinganie; Dave Addison and Tracy Saunders	Closed
1201	14/12/20	1.3	Joint Office (AR) to contact Gemserv to identify if there are any concerns and if an IGT modification is required.	As soon as possible	Joint Office (AR)	Pending

1202	14/12/20	5.0	CSS Consequential Changes – Detailed Design Report CDSP (DA) to provide a view of the issues that he is thinking through in relation to CSS Consequential Changes ahead of next meeting for review in Workgroup.	January 2021	CDSP (DA)	Pending
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**UNC Workgroup 0693R Minutes
Treatment of kWh error arising from statutory volume-energy
conversion**

Monday 14 December 2020

Via Teleconference

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (Workgroup 0693R only)
Fraser Mathieson	(FM)	SPAA/Electralink
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
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/0693/141220

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 December 2020 where a 1-month extension will be requested.

1. Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting.

1.1. Approval of Minutes (26 November 2020)

The Workgroup accepted the minutes.

1.2. Approval of Late Papers

AR advised the Options Analysis Table, (v1.2 dated 10 December 2020), was provided late on 11 December 2020, and as such, had not been appended to the interim Workgroup Report submitted to December Panel.

1.3. Review of Outstanding Actions

Action 0901: Xoserve to provide update on the meter temperature data exercise from the AUG Subcommittee.

Update: FC advised this was only ever going to be an information update. The AUGE still have not requested the extra analysis. **Closed**

Action 1101: FC to update the Options Analysis paper with National Grid comments.

Update: FC advised the Options Analysis Table has been updated and the latest version of the paper has been provided for the meeting (v1.2 dated 10 December 2020). **Closed**

Action 1102: AR to develop the Workgroup Report for Workgroup to review on 14 December.

Update: AR advised the Workgroup Report has been provided for Workgroup to consider and will be covered as part of agenda item 3.0. **Closed**

2. Review of updated Options Analysis Table

AR summarised discussion from the November meeting and confirmed the conclusion of Workgroup was that it saw little scope for pursuing any of the options from the Options Analysis Table.

3. Completion of Workgroup Report

AR provided a view of the Request Workgroup Report and confirmed the short-list of five options:

- 4(ii): Add a new LDZ level factor to the volume-to-energy conversion formula to account for the net difference in energy. The factor would be calculated daily using actual LDZ weather;
- 5: Amend the AUGE process to re-distribute UIG based on estimated impacts of conversion factors (forecast basis);
- 7: Introduce an LDZ level conversion factor (permanent/per year/per month);
- 10: Adjust LDZ daily gas inputs to use standard correction;
- 11: Adjust daily gas allocations and subsequent meter point reconciliations to take account of impact of actual weather on metered gas volumes.

AR advised that he has discussed this Review Group with the Proposer and confirmed the Proposer believes this Review Group has reached the point where the analysis of options is complete. AR summarised that of the five options in the paper; three would not be compliant with the Thermal Energy Regulations; Option 5 is due to be incorporated into the AUGE process for the next Gas Year and Option 10 would not be practical.

AR advised that the purpose of today's meeting is to seek endorsement of the final statement in the Request Workgroup Report. There was a brief discussion regarding the wording, with some views expressed that the part about the potential for future modifications should be less definitive. AR agreed to modify the wording in the Workgroup Report to take account of these views.

On the basis that the Proposer is not present, AR confirmed he would update the Proposer with the comments from Workgroup and confirm the suggestion that the Review Group is closed.

4. Next Steps

An interim Workgroup Report has been submitted for consideration at UNC Panel on 17 December 2020, along with a request for a 1-month extension, with the completed Request Workgroup Report being submitted to UNC Panel on 21 January 2021, with a recommendation that the Request Workgroup is closed.

5. Any other business

None.

6. Diary Planning

No further meetings planned.

Action Table (as at 14 December 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	23/09/19	2.0	Xoserve to provide update on the meter temperature data exercise from the AUG Subcommittee.	Xoserve (FC)	Closed
1101	26/11/20	1.3	FC to update the Options Analysis paper with National Grid comments	Xoserve (FC)	Closed
1102	26/11/20	1.3	AR to develop the Workgroup Report for Workgroup to review on 14 December	Joint Office (AR)	Closed

UNC Workgroup 0734S Minutes
Reporting Valid Confirmed Theft of Gas into Central Systems
Monday 14 December 2020
via Microsoft Teams

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
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/0734/141220

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 February 2021.

1.0 Introduction

1.1. Approval of Minutes

The minutes from 26 November 2020 were approved.

1.2. Approval of Late Papers

There were no late papers for approval.

1.3. Review of Outstanding Actions

Action 1101: SPAA/Electralink (FM) and the Proposer (SM) to update the Modification to address feedback received.

Update: Steve Mulinganie (SM) and Fraser Mathieson (FM) advised there has been little opportunity since the last meeting to provide an amended modification, however, SM did advise that there are some updates to the Business Rules that can be discussed. These discussions were held as part of agenda item 2.0. **Carried Forward**

2.0 Consideration of amended Modification

FM advised Workgroup of the draft amendments he has made to the Business Rules and shared an onscreen view of the marked changes.

The proposed Business Rules are as follows:

Business Rule 1:

This Business Rule would stay as-is.

Business Rule 2:

Subject to Business Rule 1, the notifications of Valid Theft(s) received by the CDSP will be passed to the relevant Shipper for consideration on a monthly basis.

Workgroup requested an explanation as to what is meant by Valid Theft, FM advised that the outcome of a notification of Valid Theft would mean the theft would go into settlement.

Workgroup queried the terminology of *Supplier Confirmed Theft Data* in Business Rule 1 and *Valid Theft(s)* in Business Rule 2 and it was generally agreed that the terminology needs to be rationalised and, where necessary, defined terms created.

FM suggested a Valid Theft **is** a confirmed theft provided by the Supplier.

FM added that as the term Valid Theft is capitalised it should be a defined term.

Ellie Rogers. (ER), suggested that Business Rule 2 may need to be time-framed to better define responsibilities.

SM simplified the definition of Valid Theft to mean a **claim** of valid theft and said that during discussion with FM, four simple rules were devised. The four simple rules that have been agreed provide the structure of the changes being proposed are:

1. Notifications of Valid Theft(s) received by the CDSP will be passed to the relevant Shipper for consideration
2. The Shipper can object to the Valid Theft on the grounds of manifest error
3. Any objection submitted will be notified to the relevant Performance Assurance arrangements including but not limited to the PAC and the party who submitted the relevant Notification to the CDSP
4. In the absence of an objection the relevant energy will be put in settlement

Business Rule 3

The Shipper can object to the Valid Theft on the grounds of manifest error and the relevant Shipper(s) will be required to notify the CDSP of any Supplier Confirmed Theft Data which is invalid within 10 Days of receipt of such notification from the CDSP.

SM advised that this would serve to limit the grounds on which the Shipper could object to manifest error, for example, if data had been transferred with a decimal point in the wrong place.

FM advised, in SPAA, the threshold for a confirmed theft is rigorous, therefore, when the CDSP receives the notification from the Supplier, it has already complied with the numerous rigorous validations.

It was suggested, to avoid any confusion Valid Thefts should be referred to Supplier Confirmed Theft Data. SM advised that conceptually, Valid Theft is something that has passed the prerequisite SPAA checks.

Kirsty Dudley, (KD) suggested that it feels like there needs to be something that references those checks and that the wording in Business Rule 2 could be revised to acknowledge that Valid Thefts may still be open to further checks and challenges by the shipper.

AR suggested that, in the context of Business Rule 1, Supplier confirmed theft data could be a list of sites and that Business Rule 2 would provide the shipper with right to challenge particular data items associated with individual MPRNs. SM agreed but added that the data that comes from SPAA, does not necessarily equate to what goes to the Shipper. Continuing, AR summarised by saying if the term Valid Theft is to be used, it is worth considering that as relating to an MPRN and might be worth making sure its usage is properly defined.

It was added that for all Valid Thefts passed to shippers, the CDSP provides the Shipper sufficient information to enable that theft to be identified and assessed.

SM clarified that he did not want to set out specific grounds for objections.

When asked what the timeframe is of these rules going into REC, FM confirmed that Suppliers currently operate under SPAA, Schedule 33 with REC only going live as of September 2021.

Dave Addison, (DA), summarised to ensure Workgroup understood that instances only come to CDSP when classed as confirmed, based on SPAA or REC rules.

Following this lengthy discussion, SM provided the following suggested wording revision for Business Rule 1:

*Notifications of **claims relating to Theft(s) MPRN's** received by the CDSP from SPAA or its **successors** will be passed to the relevant Shipper for consideration.*

KD advised, even though parties may have done all they can to confirm the theft is a valid claim, the Code in SPAA still allows for reversals and noted that the Modification does not address reversals. In the event that spurious claims get through the process, there needs to be a way to reverse a claim.

Business Rules 4, 5 & 6 were not discussed.

Business Rule 7 (BR7)

Where an objection is submitted by the Shipper in accordance with Business Rule 3, the Shipper shall work with the relevant Supplier on a bilateral basis to resolve the objection and either confirm the Valid Theft information is correct, or revise and resubmit the Supplier Confirmed Theft Data to the relevant administrative body (currently SPAA) as may be required. The Shipper shall confirm to the CDSP within [20] Working Days of the objection submitted under Business Rule 3 whether the Valid Theft information is to be entered into Settlement, or, whether the Supplier will be withdrawing the Supplier Confirmed Theft Data with the relevant administrative body (currently SPAA), after which, the CDSP will report the Supplier Confirmed Theft Data into Settlement.

KD reminded Workgroup that this modification is looking to capture accurate energy volumes and sought further assurances on the treatment of reversals.

FM explained BR7 and advised that the rule sets out requirements for parties to resolve cases where an objection is raised by a shipper as the objection simply stops the settlement aspect, it does not vary the claim made through the SPAA processes. He advised that BR7 gives the opportunity for the Shipper and Supplier to discuss the theft in question and would place a hold on the process, delaying it going into settlement.

Workgroup discussed at length how this process could work, particularly if a claim of theft had already gone into settlement.

It was suggested that, in the event that an energy correction does need to be made, then this should be carried by way of an off-line adjustment process.

When Dave Mitchell (DM) asked how a manifest error will be defined, FM advised, in the absence of a defined term, manifest error means an obvious mistake.

In summary, SM reiterated, and sought agreement for, the principles documented below, and advised he will issue them out to Workgroup for consideration at the next Workgroup:

1. Notifications of Valid Theft(s) received by the CDSP will be passed to the relevant Shipper for consideration
2. The Shipper can object to the Valid Theft on the grounds of manifest error
3. Any objection submitted will be notified to the relevant Performance Assurance arrangements including but not limited to the PAC and the party who submitted the relevant Notification to the CDSP
4. In the absence of an objection the relevant energy will be put in settlement

DA sought clarification regarding the reversal adjustment process and asked if an adjustment would be made against what has already gone through settlement or would a reversal of the original claim be required and then put the new correct claim through the process.

Following these discussions, SM advised that conceptually he agrees that this modification should cover both claims and corrections and this needs to be looked as to how corrections are best managed in terms of settlement and suggested it might be better to see what the different types of correction are and agree the best way to deal with the associated adjustment.

To ensure consistency between CDSP process and the Modification, DA offered to work with FM on the revised drafting of the Business Rules.

As a final point, KD noted that not every confirmed theft is eligible for the incentive scheme, as sometimes a confirmed theft is not put in to TRAS quickly enough, however, this energy still needs to be accounted for and settled through the UNC.

New Action 1201: FM to check the data on reversals and resubmissions.

Post meeting note:

KD questioned, if this is to be applied to IGT MPRNs too, there may need to be an IGT modification raised.

New Action 1202: KD to check the approach if an IGT modification needs to be raised.

New Action 1203: FM and SM to provide an amended modification.

2.1. Issues and Questions from Panel

There were no new questions raised from the Panel.

2.1.1. Workgroup to consider any potential cross-Code impacts and implementation timelines

The cross-Code impact of the proposal was discussed and will undergo further deliberation at the next Workgroup.

3.0 Review of Business Rules

This will be discussed at a subsequent Workgroup.

4.0 Consideration of Draft Legal Text

This will be discussed at a subsequent Workgroup.

5.0 Development of Workgroup Report

This will be discussed at a subsequent Workgroup.

6.0 Next Steps

AR summarised as follows:

- Workgroup should expect a revised modification based on today's discussion.
- Given the degree of development yet to be undertaken, a Workgroup Report submission extension of 2 months would be requested at UNC Panel.

7.0 Any Other Business

None.

8.0 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
Thursday 28 January 2021	Teleconference	Distribution Workgroup standard Agenda

Action Table (as at 14 December 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	26/11/20	2.0	SPAA/Electralink (FM) and the Proposer (SM) to update the Modification to address feedback received	SPAA/Electralink (FM), Gazprom Energy (SM) Xoserve (DA)	Carried Forward
1201	14/12/20	2.0	FM to check the data on reversals and resubmissions	SPAA (FM)	Pending
1202	14/12/20	2.0	KD to check the approach if an IGT modification needs to be raised	E.ON (KD)	Pending
1203	14/12/20	2.0	FM and SM to provide an amended modification	SPAA (FM) and the Proposer (SM)	Pending

UNC Workgroup 0746 Minutes
Clarificatory change to the AQ amendment process within TPD G2.3
Monday 14 December 2020
via Microsoft Teams

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Chris Hooper	(CH)	CNG Ltd
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
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/0746/141220

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 April 2021.

1. Introduction and Status Review

Alan Raper (AR) welcomed all to the Workgroup.

AR reminded Workgroup that at the UNC Modification Panel meeting held on 19 November 2020, it was determined that Modification 0736A should be issued to a new Workgroup for assessment and be re-numbered as Modification 0746.

1.1. Approval of Minutes (26 November 2020)

The minutes from the previous meeting were accepted.

1.2. Approval of Late Papers

AR confirmed that no late papers have been submitted.

1.3. Review of Outstanding Actions

Action 1101: CDSP (DA) to provide data with regards to the numbers of reason code 3 AQ amendments to see if there are any spikes in the data prior to 01 April 2020.

Update: Dave Addison provided an overview of the analysis completed to address this action. He advised that the typical monthly volume of AQ Corrections (Reason Code 3), is around 100 per month. He said there was a significant spike in Reason Code 3 amendments during May 2020, (noting that the modification period of look-back was back to April 2020). The number of corrections during May 2020 was circa 2,000.

Looking further back, the only other significant spike that could be identified was May 2018, and reiterated that the normal volume of Reason Code 3 amendments is 100 per month.

Steve Mulinganie (SM) clarified, on the basis of the information provided, he is not minded to change the retrospection date from April 2020.

Guv Dosanjh (GD) agreed that on the basis of the information provided, the retrospection date of April 2020 was appropriate and asked AR to ensure this view is stated in the Workgroup Report to ensure that Ofgem are assured that retrospection date aspect of the Modification has been considered. **Closed**

2. Amended Modification

SM advised that this modification would need to be re-drafted once *Modification 0736S – Clarificatory change to the AQ amendment process within TPD G2.3*, progresses towards a conclusion. He explained that this draft Modification retained Business Rules 1, 2 and 3 from Modification 0736A but, as this modification only needs to concentrate on the retrospection aspect, these could be removed should 0736S be implemented. Therefore, at some point in time the modification would need to be redrafted to include only the Business Rules specific to retrospection.

New Action 1201: Workgroup to review the Transitional Business Rules, (BRs 4 – 7), ahead of Workgroup meeting in January 2021.

New Action 1202: Subject to the decision to be made at UNC Panel on Thursday 17 December regarding Modification 0736, the Proposer, SM, to redraft Modification 0746 for consideration ahead of Workgroup meeting in January 2021.

AR advised that Joint Office would provide Critical Friend advice to the amended modification.

When Ellie Rogers (ER) sought clarification on this point, SM confirmed that the principle of the rules would stay the same and that the revision of the modification would just make the proposal read easier by aligning it to the prevailing Code.

In relation to the request made to Xoserve for the analysis relating to instances of Reason Code 3 amendments, Chris Hooper asked for all the information to be presented rather than just focussing on the outlier months.

SM reiterated, in the absence of any substantial evidence, the modification would remain as drafted and confirmed the retrospection date as April 2020. He added that the date was chosen as it coincided with the reduction in consumption associated with COVID-19. As such, the significant spike in Reason Code 3 amendments identified in 2018 are out of scope for this modification.

AR confirmed that the figures discussed relating to the analysis provided with regards to Action 1101 would be reported within these minutes and, if any party wished to propose an alternative retrospection date, it would have to be done by way of raising an alternative proposal.

SM then suggested deferring further discussion until after the UNC Panel implementation decision for Modification 0736S on 17 December 2020 and revisit Modification 0746 in January 2020.

AR confirmed that further discussion would be deferred until January

3. Review of Legal Text

This will be covered in due course.

4. Development of Workgroup Report

This will be covered in due course.

5. Next Steps

AR confirmed that Workgroup should expect an amended modification ahead of the next Workgroup in January 2021.

6. Any Other Business

None raised.

7. 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	Programme
10:00 Thursday 28 January 2021	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> Consider revised Modification 0746

Action Table (as of 14 December 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	26/11/20	2.0	CDSP (DA) to provide data with regards to the numbers of reason code 3 AQ amendments to see if there are any spikes in the data prior to 01 April 2020.	CDSP (DA)	Closed
1201	14/12/20	2.0	Workgroup to review the Transitional Business Rules, (BRs 4 - 7), ahead of Workgroup meeting in January 2021	All Workgroup	Pending
1202	14/12/20	2.0	Subject to the decision to be made at UNC Panel on Thursday 17 December regarding Modification 0736S, the Proposer, SM, to redraft Modification 0746 for consideration ahead of Workgroup meeting in January 2021	Proposer (SM)	Pending