

**UNC Distribution Workgroup Minutes**  
**Thursday 26 November 2020**  
**via Microsoft Teams**

<b>Attendees</b>		
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](http://www.gasgovernance.co.uk/dist/261120)

**1. Introduction and Status Review**

Alan Raper (AR) welcomed everyone to the meeting.

**1.1. Approval of Minutes (22 October 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) advised an update was not available and confirmed he will continue to pursue obtaining the required data and report back to the December Distribution Workgroup. **Carried Forward to December**

**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:** An update is to be provided to the December Workgroup. AR referred Workgroup to Modification 0746 - Clarificatory change to the AQ amendment process within TPD G2.3, which has recently been decoupled from Modification 0736S, and explained that Modification 0746 is, in effect, addressing this issue. **Carried Forward to December**

**Action 1001:** *Updating specific gender references to neutral terms:* E.ON (KD) to raise as a new modification.

**Update:** AR advised this action is closed as new Modification 0741S – Updating specific gender references to neutral terms, has now been raised. **Closed**

**1.4. Modifications with Ofgem**

Max Lambert passed on his apologies for this meeting and provided the following update:

<b>Modification</b>	<b>Ofgem update</b>
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**

**1.5.1. Increased DM SOQ Flexibility**

Tim Davis (TD) introduced the draft proposal submitted by Barrow Shipping Limited and explained the purpose of the modification is to allow DM SOQs to be adjusted more flexibly, better reflecting costs and avoiding inefficient investment.

Referring to the presentation provided to support the draft proposal, TD explained that public access filling stations cannot control demand, as they do not know in advance of the day how many vehicles will require fuelling. This is especially true if a large new fleet arrives to fill up in a short period, resulting in an atypical high demand, which in turn affects the recorded peak demand at the site. This would then lead the combined system peak SOQs being overstated, which in turn could give inappropriate investment signals.

In addition, TD advised that lorries that carry gas canisters full of compressed gas that can be used to supply off-grid networks may also require filling at relatively unpredictable times, giving rise to a similar effect to the fleet refuelling issue from a network SOQ management perspective.

TD added that a network peak day would normally occur on a very cold day, possibly with snow and ice, with very few trucks on the road and hence would unlikely coincided with the events described above.

When asked, TD confirmed that his concern only relates to mandatory DMs.

Supported by Workgroup, Tracey Saunders (TS) questioned whether this should be raised as a Review Group or a Modification. Kirsty Dudley (KD) suggested that if there are multiple views on the solution, then a Review Group might be a better approach.

AR referred Workgroup to some rules in Code that were developed to be used during the on a commissioning of VLDMCs basis, where large flows could occur for short period of time on a pre-agreed basis.

When asked, TD clarified that, in a growing market, new fleets are fairly common whereas the filling of trailers is more unpredictable. He also confirmed that there are currently no government initiatives on this topic.

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

## 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

ER confirmed there is very little to report on this month. UIG has dipped negatively during this second Lockdown, but nothing else to report on.

## 4. COVID-19 Issues

### 4.1. Update from October 2020 UNC Panel

Modification 0730 - COVID-19 Capacity Retention Process

DA provided a briefing note on the information gathering exercise that CDSP have been running in order to identify the volume of Modification 0723, (*Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period*), isolations that are eligible for capacity rebate. The paper may be found on the meeting page here: [www.gasgovernance.co.uk/dist/261120](http://www.gasgovernance.co.uk/dist/261120).

Subsequent to the UNC Panel discussion held on 19 November 2020, it was identified that the process that CDSP have been operating in order to identify eligibility for the capacity rebate may not be documented sufficiently robustly and it was felt that imposed time-bound limitations should be reflected more explicitly in the Modification / Legal Text. (The solution, and by inference the legal text, need to be more detailed and specific in the area to establish the definitive list of eligible sites).

Workgroup discussions determined that the solution for Modification 0730 needs to be revisited in order to redraft the relevant business rule and amend the legal text to clearly set out the Shipper's right to claim the capacity rebate but also recognising that provisions to address the time-limited aspect should be added.

AR advised that, on the basis of the concerns raised, Modification 0730 should be temporarily suspended from Final Modification Report (FMR) production as, following examination of the

process being proposed by the CDSP, and its alignment with the proposed solution and the associated Legal Text, a variation would be required. It was noted that the extra-ordinary UNC Panel meeting arranged for 27 November 2020 to finalise the FMR, should additionally review matters arising at this Distribution workgroup and decide next steps.

**New action:** SM, DA and subsequently TS, (the legal text provider), to convene and resolve in order to produce a Variation and new legal text.

## 5. CSS Consequential Changes – Detailed Design Report

DA advised, as part of the Retail Code Consolidation SCR, there is a proposal for text to be included in the Modification Rules that would allow other Code Administrators to raise a modification when a Cross Code issue is identified. He clarified there would not be a policy decision from Ofgem until next week, (week commencing 30 November 2020).

## 6. Issues

None raised.

## 7. Any Other Business

None 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
Monday 14 December 2020	Teleconference	Distribution Workgroup standard Agenda

Action Table (as of 26 November 2020)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
<b>0103 &amp; 0104</b>	23/01/20	3.0	<b>Change of Tenancy Flag / CSS issues:</b> (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.)	<b>December 2020</b>	CDSP (ER)	<b>Carried Forward</b>
<b>0801</b>	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.	<b>December 2020</b>	Ofgem (JD)	<b>Carried Forward</b>
<b>1001</b>	22/10/20	1.5	<b>Updating specific gender references to neutral terms:</b> E.ON (KD) to raise as a new modification		E.ON (KD)	<b>Closed</b>
<b>1101</b>	26/11/20	1.5	<b>Increased DM SOQ Flexibility</b> - TD will discuss with AR to agree the best approach.			<b>Pending</b>