

UNC Distribution Workgroup Minutes
10:00 Monday 25 January 2024
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Nikita Bagga (Secretary)	(NG)	Joint Office
Aidan Lo	(AL)	Joint Office
Andy Clasper	(AC)	Cadent Gas
Catriona Ballard	(CB)	Brookgreen Supply
Charlotte Gilbert	(CG)	BU-UK
Colin Wainwright	(CW)	SGN
Dan Simons	(DS)	Joint Office
Dave Addison	(DA)	CDSP
David Mitchell	(DMi)	SGN
David Morley	(DMo)	Ovo Energy
Edward Allard	(EA)	Cadent Gas
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
James Lomax	(JLo)	Cornwall Insight
Julie Chou	(JC)	Wales & West Utilities
Josie Lewis	(JL)	CDSP
Lee Greenwood	(LG)	Centrica
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Cockayne	(MC)	Joint Office
Matt Marshall	(MM)	Cadent Gas
Paige Leigh-Wilkes	(PW)	Cadent Gas
Steve Mulinganie	(SM)	SEFE Energy Limited
Susan Helders	(SH)	NGN
Tom Stuart	(TSu)	Wales & West Utilities
Tracey Saunders	(TS)	NGN

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore, it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/Dist/111223>

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting.

1.1. Approval of Minutes (11 December 2023)

The minutes from 11 December 2023 were approved.

1.2 Approval of late papers

RHa advised that no papers for the meeting had been submitted late. Ellie Rogers (ER) advised that there would be a verbal update for item 2.

1.3. Review Outstanding Actions

1201: RHa to send a mail out using appropriate wording provided by TS to UNC mailing list

requesting Shippers to confirm whether they have capacity to handle negative rates in their system.

Update: RHa provided an update on this action, advising that it had been superseded due to Modification 0865S being raised to progress the change. It has been sent out for consultation, Panel has approved implementation and, subject to no appeal being received, it will be implemented on 09 February 2024 (16 days after the date of approval) . **Closed.**

1202: RHa to write out to UNC Members and invite people to send comments/queries directly to PH in relation to Priority Consumers Update.

Update: RHa provided an update on this action, explaining that Phil Hobbins had wanted to attend the last meeting in December 2023 to give a Priority Consumer update. The material is published on the December 2023 Distribution Workgroup Page:

<https://www.gasgovernance.co.uk/Dist/111223> RHa confirmed she will be writing out to all on the UNC list by end January 2024. **Closed.**

Post meeting note:

The following is a summary of the update which Phil Hobbins gave to Transmission Workgroup in December:

Priority Consumers Update

The Gas Transporters have an obligation to establish a priority customers list, i.e who would be the last to be told to cease taking gas in a Network emergency. The list is in the form of a spreadsheet report titled the Priority Consumers Report.

There are 3 categories that the Transporters have to base the priority list on:

- Category A: Relevant customers where a failure in the supply to their premises could put lives at risk.
- Category B: Relevant customers for which the sudden loss of gas causes or threatens to cause serious damage, for an unacceptably prolonged period, to human welfare, the environment or the security of the United Kingdom that cannot be reasonably mitigated.
- Category C: Relevant customers taking over 2 million therms per annum for whom the sudden loss of gas would result in repair or replacement costs amounting to 10% or more of the Site Fixed Tangible Asset Value.

Note that the assessment of whether a site satisfies the criteria contained in Categories A and C rests with the Gas Transporter

- There is currently no obligation on any party to share the impact of the re-categorisation of priority customers and the Transporters do not currently see what value such a report would provide to the shipping community.
- Each shipper that has a priority customer(s) within its portfolio receives a monthly report from Xoserve which details the relevant sites and whether they are classified as A, B or C.
- Transporters urge the shipping community to check this report, assure the sites are still listed correctly and that emergency contact details are present. Shippers should check the

details are accurate.

- Transporters have not instructed Xoserve to remove any sites from the priority list since October 2022; all requests for sites to be added to or deleted from the list have come from the shipper.
- Since the implementation of Modification 0090 'Revised DN Interruption Arrangements', GDNs have had an obligation, enshrined in their safety cases, to make annual contact with the top 200 sites in each LDZ to verify that an instruction to cease taking gas in an emergency can be given using the phone number held by the GDN.
- This suite of assurance exercises was undertaken within Exercise 'Everest'. The post exercise report was published in December 2023. It found that 90% of the top 200 sites in each LDZ were contactable, but this was largely due to GTs' own data rather than data provided by shippers under the UNC.

Therefore, there remains a pressing need for shippers to assure emergency contact details are provided for all these LDZ customers, in order that 100% of these larger sites are contactable.

PH clarified that following the re-categorisation of priority customers, those previously on the priority list that now fall into category 3 have had their status 'grandfathered' (maintained). The Transporters have not instructed Xoserve to remove any sites from the priority list.

It was proposed that the Gas Transporters maintain the current list of Category C customers for this winter and write to Shippers to request a demonstration is provided by September 2024, that a sudden loss of gas supply would cause losses greater than 10% of the value of fixed business assets. Where such demonstration is not provided the Gas Transporter will instruct Xoserve to remove the site from the priority list.

1.4. Modifications with Ofgem

The Chair advised that a report was available on the Ofgem website at <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable> dated 8 December 2023 and shows the expected decision dates for all Modifications currently awaiting an Ofgem decision.

No Ofgem representative was present for the meeting and RHa advised that the table is from 8 December 2023, there has been a lot of movement since then.

- [UNC 0855](#) – Decision has been made.
- [UNC 0839](#) – Approval made.

- [UNC 0831](#) – Ofgem has sent a “minded to” decision to reject both Modification 0831 and 0831A but RHa raised she is unsure if this has been communicated to industry. Ofgem’s reasoning for this decision is due to come out on 6 February. It was thought this would have ramifications for the AUG timetable. ER stated in terms of the AUG timescale, those involved with the contractual side of things will be looking into how this will interlink. There will be further information on this shortly but procurement work will be considered this half of the year. Fiona Cottam (FC) informed the Workgroup that the AUG Sub-Committee meeting has been moved to 16 February, see : <https://www.gasgovernance.co.uk/AUG/160224>.
- [UNC 0853](#) – No decision has been made yet.
- TS informed the Workgroup that she hoped a decision on Modification IGT169 (which is related to UNC [Modification 0701](#)) will be taken sooner than indicated, since currently there is a different treatment for sites, depending on whether connections are onto the IGT or directly connected.

1.5. Pre-Modification discussions

Steve Mulinganie (SM) provided the Workgroup with an overview of his proposed Modification. (He also noted that he may propose a further Modification which involves looking at the AUG process and considering a hybrid solution.)

The intention is to retain the transparency of the AUG process so it will be the validity of the AUG table being considered. SEFE Energy is minded to suggest extending the validity of the table to 3 years, as opposed to the current position which is annual, so that the table, once determined, would apply for 3 years. SM clarified that this doesn’t mean the AUG process would start every 3 years, it means that there would be a more extended process. The hope is that this Change will remove the instability and retain the transparency.

SM explained he had been waiting for Modification 0831 to run its course . He confirmed there would have to be a transition process from the current arrangements.

Louise Hellyer (LH) questioned whether the notice period would change to allow industry to get early notice of a forthcoming change to the table of factors. SM explained that they are considering the idea of getting an interim view of the table a year prior. The Modification is simple but it opens up an administrative process to give more bandwidth to do more. An early warning could be given which may be useful. Nothing is stopping a further Modification from being raised to allow for early updates. Operational flexibility still remains in place. The intention is to make the process as efficient as possible. Whether the Modification needs to go into further detail is unknown at this stage but it has gone through SEFE Energy’s internal critical friend process.

Workgroup explored the scenario of industry knowing a change was coming via notice in advance of a change to the factors table. SM clarified, anyone who is a party to the Code could put forward a Modification to update the table but would have to facilitate as part of the process, the Modification would need to be sponsored by someone. The positive thing about the Change is the current process is quite constrained, this Change will give more time to consider issues that arise. There may also be a cost reduction benefit as an exercise calculation will not be required every year.

RHa advised she had a few questions, one of which was whether SEFE will be specifying what the AUG does in the meantime. SM explained that the changes are consequential, they are

hoping to keep the Modification high level and keep the detail out in terms of the Business rules which could be generic.

FC highlighted that thought will need to be given to transitioning from the current arrangements. There will be a table to apply from this October 2024 and a contractual arrangement is in place with AUGÉ for next October too. Procurement will also be another consideration as there would be a material change in what needs to be procured. ER highlighted that the Modification process may not be complete so SEFE will need to ensure that the requirements are somewhere and will be picked up in the process. SM raised there is no point in discussing until it is clear what is happening with Modification 0831 in the event further alternatives need to be considered.

FC raised that other than control and related documents, the text is in the UNC Section E para 9 - UIG Allocation Factors. It is anticipated that the Legal Text will say AUGÉ will do it every year so there may need to be a light touch change to this. ER and SM confirmed the AUGÉ Framework is where the detail is and this is where the bulk of the changes will be (UNC Related Document - Framework for the Appointment of an Allocation of UIG Expert, which can be found here:

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

SM advised that a draft will be put together and arrangements for the critical friend process will be made to obtain feedback. 3 years was considered as appropriate as 5 years may be too long but SEFE are open to discussions for alternatives.

RHa raised that customers should be given notice to avoid causing further delay.

FC stated that the details concerning timings are in the ancillary document. There will be an opportunity to revisit the Code. The timetable has already changed with a lot of dates being shifted earlier to give a longer run-up between the sign-off.

SM raised to the Workgroup that the potential for inappropriate use/misuse will also need to be another consideration. Early sight does not mean changing, it refers to early sight of the impact and development that can be done on the go. The intention is to recognise the pre-procurement exercise.

ER discussed the benefit of having an up-front view to see things as early as possible to feed into the business and prepare. There appears to be the ability to have a process to give visibility before it goes live.

RHa stated that the timetable should be considered, perhaps 6 months at Workgroup but not less than 3 months. SM stated that procurement will need to be weaved in but he cannot see this being an issue, as long as Xoserve are within time and are not causing delays. This is likely to be an Authority Direction.

SM and FC are to liaise with ER regarding the feasibility of the procurement process.

2. CSS REC Consequential Changes Update

DA provided an update on the 3 REC Changes currently being considered.

R0067 – This change was implemented on 9 December. There are issues in PIS (Post Implementation Support) which may have originated in the ambiguous design documentation from CSS. 2 changes have been updated and the 3rd is awaiting CSS input, which is expected on 8 February. DA explained that until this change has gone in, the re-send capacity has been turned off as it is not working. It will be turned on once confirmation has been obtained from CSS

confirming the fix. Communications will be issued to DSC Change Management to provide an update

R0148 – The metadata catalogue is out for consultation currently and a response has been drafted for consultation which is due on 26 January. There has been good engagement with DSC Contract Management regarding the open data framework. DA explained that there should have been better oversight of the controls which are going to be put in place and considerations as to how a party accesses the data will need to be made. A plan to publish all data items in a repository online would not be appropriate. DA explained he understands why this has been issued however it is recommended to expedite looking at the controls and finding the technology. Another view of the data catalogue will be required to see how the data should be classified. RHa asked whether the intention was to set up a separate meeting to discuss R0148 in further detail. DA confirmed this happened and a few people attended. Feedback was obtained and a Shipper, a DN and NGT were represented at the meeting.

R0070 – This Change is in relation to the provision of a permanent testing environment and the ongoing discussions. Detailed Impact Assessment has occurred in which CDSP were asked to respond to but they declined due to insufficient data in the request. The aim is to ensure there is an environment to allow for the deployment of changes and testing to be undertaken, prior to implementation. There will not be a need to spin up a new environment. DA advised that there needs to be more caution and ensure integrated testing is considered in the future. There were specific reasons as to why this couldn't be done with R0067. The downside is the potential increase in costs of change due to the integrated testing with CSS but this will need to be considered with CSS to ensure it is as efficient as possible and to ensure the testing is within the testing cycles of CDSP and not CSS. Feedback has been obtained on Legal Text as CDSP thought it was a bit onerous and a response will be provided to Consultation regarding maintenance.

3. Workgroups

3.1. 0843 – Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert

(Report to Panel 20 July 2024)

<https://www.gasgovernance.co.uk/0843>

3.2. 0851R - Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window

(Report to Panel 18 July 2024)

<https://www.gasgovernance.co.uk/0851>

3.3. 0862 – Amendments to the current Unidentified Gas Reconciliation Period arrangements

(Report to Panel 16 May 2024)

<https://www.gasgovernance.co.uk/0862>

3.4. 0863 – Erroneous Transfers Exception Process

(Report to Panel 16 May 2024)

<https://www.gasgovernance.co.uk/0863>

4. Distribution Workgroup Change Horizon

Please note that the specifics of this report can be reviewed at www.gasgovernance.co.uk/Dist/111223; as such, they are not replicated here.

Josie Lewis (JL) provided an overview of the presentation slides to the Workgroup.

Since the roadmap was issued, there have been updates on Modification 0831 and Modification 0831A. There is a minded to position from Ofgem and CDSP are currently awaiting the official decision and the rationale for the decision. This will be published in full by Ofgem by 6 February.

Please refer to the presentation slides published for further detail and information.

5. Product Class Capacity

JL provided an update to the Workgroup, explaining that the matter had moved forward for internal review and CDSP are awaiting feedback. Once this has been obtained, CDSP will be reaching out to interested parties to consider how to move forward and to distribute the information relating to classes, requirements and how they work differently.

RHa asked who the interested parties may be. ER advised she would not name them during the Workgroup but it involves parties who have flagged interest in the progression, mainly Shippers.

RHa raised whether a review group Modification would be requested. ER confirmed as it is a UNC request, it would be discussed during the Distribution Workgroup. It is in relation to class priority criteria, what charges are and what AQ processes are. RHa raised that it is not just a product class capacity but a review of the product class requirements.

ER explained that CDSP will be considering whether the classes work and if they are fit for purpose. Capacity was highlighted as urgent and when considering this, that's when CDSP noticed other areas for consideration.

6. Issues

No issues were presented by the Workgroup.

7. Any Other Business

SM raised the Shipper Constituency meeting and the issues highlighted by the IGTs "IGT Metering concerns". The proposal by IGTs is that DNs (UNC) should validate not only the individual data items (MDD) but also in combination which is a change from the current arrangements. SM requested if the matter could be added to the agenda for the next Distribution Workgroup meeting for discussion. RHa suggested this would need to be done by way of a Modification. ER advised she would look into the Shipper Constituency Meeting and SM raised the idea of reaching out to the shipper constituency to see whether they would like to bring the matter forward, and if so, it could be discussed at the next Distribution meeting given the material impact it could have.

New Action 0101: Joint Office (Rha) to liaise with ER regarding the IGT metering concerns. and to consider how best to address at the next meeting.

8. Diary Planning

Further details of planned meetings are available at:

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

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 22 February 2024	5 pm Wednesday 14 February 2024	Microsoft Teams	<ul style="list-style-type: none"> Standard Agenda including any Modification Workgroups relating

			to Distribution Workgroup
10:00 Thursday 28 March 2024	5 pm Wednesday 20 March 2024	Microsoft Teams	<ul style="list-style-type: none"> Standard Agenda including any Modification Workgroups relating to Distribution Workgroup

Distribution Workgroup Action Table

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0101	25/01/2024	7	Joint Office (RHa) to liaise with ER regarding the IGT metering concerns. and to consider how best to address at the next meeting.	January 2024	RHa	Pending