

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

<b>Attendees</b>		
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**Update:** RHa provided an update on this action, advising that it had been superseded due to Modification 0865S being raised to progress the change.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](http://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"> <li>Standard Agenda including any Modification Workgroups relating</li> </ul>

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

**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	<b>Pending</b>

**UNC Workgroup 0843**  
**Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert**  
**Thursday 25 January 2024**  
**via Microsoft Teams**

<b>Attendees</b>		
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
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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

*This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.*

*Please note these minutes do not replicate/include detailed content provided, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0843/250124>.*

*The Workgroup Report is due to be presented at the UNC Modification Panel by 18 April 2024.*

**1. Introduction and Status Review**

Rebecca Hailes (RHa) welcomed all parties to the meeting. David Morley (DMo) provided a recap to the Workgroup on what the Modification involves, advising that when all metered gas volumes are subtracted from gas volumes that flow into LDZs, there are two mechanisms via which to account for any missing gas: Shrinkage and Unidentified Gas (UIG). First Shrinkage is

removed from the total missing gas and the rest is allocated to UIG. Shrinkage consists of Own Use Gas, Theft of Gas, and gas leaks. The Modification states that quantities of UIG are shrinkage model error. To account for what the Proposer perceives to be the under-reporting of shrinkage, the proposal is to create a new role (an Independent Shrinkage Expert) who would create a new forecast of what the error is and remove this quantity from UIG. The process is intended to work alongside the shrinkage process and at the end of the year, the values will be reconciled and updates made via the amendment invoice.

RHa highlighted to the Workgroup that this Modification has not been discussed since September and the text of the Modification is version 9.

### 1.1 Approval of Minutes (27 September 2023)

The previous minutes were approved.

### 1.2 Approval of Late Papers

There were no late papers to approve however there was an amended version of the Modification, version 9, to review.

### 1.3 Review of Outstanding Actions

**0901:** Ofgem (VT) and Proposer (DMo) to meet offline to consider the potential interactions for the process with Ofgem in considering an additional Independent Shrinkage Charge (ISC).

**Update:** DMO provided an update, advising of the concerns certain individuals had regarding obligations being placed on the Authority. Several changes had been made to the Modification including the deletion of the deadline. **Closed.**

**0902:** GDNs to confirm what actionable information is required which would allow industry enhancements/improvements.

**Update:** Julie Chou (JC) suggested that the ISE could provide information as follows:

- Location of leaks
- Quantification of leaks.

This will help DNOs to prioritise risks. DMO stated that quantification will be included within the Independent Shrinkage Statement but he is unsure if the expert will consider location, although the presumption is that he will. RHa raised that the purpose of the investigation by the expert is to reduce the leaks so the information relating to the location will be required. In relation to estimations provided by the expert, DMO confirmed that negative values are given their own consideration and that these figures won't be applied but they will be reported. RHa proposed closing this action. **Closed.**

## 2. Amended Modification / Framework / Business Rules

The Workgroup reviewed the amended Modification published, with DMO providing an overview of the changes made.

### Business Rule 5

The Workgroup discussed Business Rule 5 which is in relation to the absence of a decision being made by Ofgem.

Ellie Rogers (ER) discussed that this is covered in the Framework and Rough Order of Magnitude (ROM) so there may not be a need to explicitly include it in the Business Plan and Information Rules (BPIR) and Legal Text. From a business perspective, the shrinkage factor will be loaded into Gemini to ensure it is working as it should from April. In the Framework, it is explicit that the values need to be loaded correctly 2 weeks (10 working days) before but ER

raised that this deadline cannot be drafted into the Code.

RHa asked if CDSP are happy with the wording in Business Rule 5 “cognisant of timescales”. ER states for now this wording is sufficient however, a review of the Legal Text will be required to see how it will be translated into the Legal Text.

JC questioned why this would apply in the absence of a decision from Ofgem. RHa explained that ISC are independent and in the event a Modification is directed for approval, ISC will be able to utilise their independent power and authority to obtain the numbers and implement them. This mechanism gives the Authority a veto but the default position is that it will go ahead.

RHa asked if there is anything in the Business Rules regarding an Ofgem decision being made after the deadline. DMo stated in the event this happens it would go into the invoice. DMo stated that he would review the Business Rules to ensure that there is a provision stating it will go into the amendment invoice.

Ed Allard (EA) raised that there is no mention of a limit on a discrepancy between ISC and the figure calculated by the Shrinkage and Leakage Model (SLM). DMo confirmed there is no limit. EA raised the materiality of a Modification in the event Ofgem does not make a decision. RHa confirmed that ISC has the authority to conduct investigations themselves, issue a report and determine the charge. ISC will have been given considerable scope, even when dealing with a material Modification.

EA asked whether DMo had obtained Ofgem’s views on the position of Ofgem not providing approval and the default position that the ISC is approved. DMo confirmed he had not discussed this particular point with Ofgem. DMo advised that consultation may be the best place to consider this and RHa advised that a specific question can be raised with Vik Tuffen if required.

SM raised that a question for consultation, at a point in the future when the Modification is in a more stable position, maybe to consider how Ofgem interacts and whether they want to interact at all. Specific confirmation of how Ofgem want to be involved will need to be obtained.

### Business Rule 8

DMo provided an overview, explaining that previously, Business Rule 8 stated that the transporter had to communicate with the shipper but for shrinkage, they need to engage with the shrinkage provider. The rationale is to keep activities under this Modification separate from shrinkage so a new defined term was suggested to be created for Independent Shrinkage Provider (in this v9.0 of the Modification). DMo asked the Workgroup whether this newly defined term should remain. Both RHa and SM confirmed they agree the newly defined term provides clarity.

There is now a reference to the fact that the Independent Shrinkage Provider will be purchasing gas.

Charlotte Gilbert (CG) questioned the ability of IGT to have an independent shrinkage charge provider and whether this would require IGT to be set up on Gemini. DMo confirmed that they still can contract with Shippers, should they require. ER provided an insight into the on boarding process on Gemini, explaining that the current process involves DNO members contracting with the shrinkage provider, who would be the shipper members, to purchase on their behalf. If IGT members wished to do this themselves, ER is unsure of how this would be done on Gemini.

Tracey Saunders (TS) explained that her understanding is that DNO members cannot purchase gas for themselves (due to licence restrictions), it can be purchased through a provider for the purpose of shrinkage, there is a specific contract between the DNOs and a third party specifically relating to shrinkage. The assumption is that the position with IGTs would mirror this but it is currently tied into the licenses. Whether DNOs can contract with two providers will be dependent on the license. TS advised that she does not believe, under the license, that there is an ability to contract with the Independent Shrinkage Provider to purchase gas as they are only able to purchase gas in relation to shrinkage so a Change would be required. DMo confirmed there is further guidance on this.

ER explained that DNOs provide their daily shrinkage charge and if the Modification went live,

the ISC values would be added on top of the charge and this would be loaded into the system as the total value, this is what the ROM is based on. RHa questioned whether the independent shrinkage charge provider would need to be the same party if the value is combined in Gemini.

ER raised a question regarding the newly defined term and if it will have any impact on the proposal. If it does, the ROM will need to be reconsidered.

RHa questioned whether there is an ability to have two parties pay two parts of the same charge. If the two charges are loaded into Gemini as one number how can two Shippers buy that gas – how would it be divided? ER stated that she is not familiar with the process as it is outside the scope of the system process.

A lot of the detail discussed amongst the Workgroup may be covered in the ROM, in which case the Business Rules will need to become more streamlined and more for ‘avoidance of doubt’.

Following the discussion regarding Business Rule 9, DMO concluded that there is no value in creating a new role if it is not going to be utilised, DMO confirmed he would remove the new defined term (Independent Shrinkage Provider) from the Business Rules.

### Business Rule 9

RHa drew attention to the use of “ISE” in Business Rule 9, DMO confirmed that this should be “ISC”. DMO explained that at the start of the year, ISC values are put forward by the ISE and at the end of the year the ISE does a reconciliation piece to see how actual values compared. If required there will be a reconciliation item in the amendment invoice.

If the Authority has vetoed the ISC prior to the year beginning, the reconciliation amount and the reconciliation report will be for information purposes only.

Louise Hellyer (LH) questioned why the volumes which come out of UIG go into the amendment invoice rather than the specific UIG ‘pot’ it came from in the event that the reconciliation process is incorrect. ER explained the process where if the Shrinkage gas purchased re is too much, this results in a debit to shippers, and if the shrinkage gas purchased was too little, this results in a credit to Shippers. DMO explained at the start of the year there will be a forecast which is attempted to be verified at the end of the year. UIG which is taken out at the start can also be put back in at the end.

The reconciliation report, if not being used, will show the workings. SM explained the use of the word “report” if it is being used for information purposes may cause confusion. DMO advised he would amend to include “for the avoidance of doubt, for information only”.

### Further Solution Note 3 and 5

The Workgroup considered the Further Solution Notes and DMO discussed the different license changes for IGTs.

RHa noted that “GND” needs to be amended to “GDN”.

David Mitchell (DMi) queried whether a date needs to be included. DMO explained that these are included in the timetable which the Workgroup would be reviewing.

The Workgroup also flagged the wording of “it will reduce” in relation to the consumer benefit table, advising that this should be amended to “aims to” because it is less definitive language.

### **Review of the Framework for the Appointment and Operation of an Independent Shrinkage Expert** (see Appendix 2 of the Modification)

DMO advised that most of the changes were as a result of feedback from CDSP.

RHa raised removing the word “Modification” as it causes confusion, SM agreed and DMO stated this would be replaced with a more suitable word.

**New Action 0101:** RHa to investigate references regarding what happens if UNCC approval has not been obtained.

The Workgroup discussed the addition of 3.2.2 c). SM advised this obligation could be inefficient if attempting to procure something no one is willing to provide. It makes sense to include this but it should be limited to a singular attempt.

ER explained this is something that has not been an issue previously but CDSP would not want to be in a position where there are continuous attempts at a process with no bids. DMO therefore raised further clarity is required.

ER stated she would discuss with the procurement team to see if they have any suggestions. They may have dealt with a similar situation previously and may be able to suggest a process to implement.

RHa discussed the option of rolling over a current ISC contract if there is not a new one in place following the termination of the current one as an option. SM advised this may not work, putting forward the argument that there will be an entitlement to terminate the contract. SM further clarified that the point of the obligation is that it gives another opportunity to re-open if initially the chance was missed or was not understood the first time around.

ER raised it could be a timing issue. DMO advised that the length of time is discretionary.

TS suggested changing “will” to “may” as currently drafted, it sounds too harsh.

ER raised that CDSP are to provision and appoint an ISE which is in DSC. If the framework states this and no one can be found, following a procurement exercise to bid, there might need to be a Modification to have this removed from the Code as there will be difficulty meeting this obligation.

SM raised that this is a contentious issue and that the wording needs to be amended. EA questioned if this section is around operational management and delivery procurement processes and how it would be structured within the Modification. DMO confirmed it would be the same as the AUG Framework.

All Framework text will be included in the Modification as an appendix as it is the first draft of the wording for the Framework. Once launched, it will contain its own processes for amendments. RHa confirmed somewhere it will need to state that it will be listed under UNC TPD Section V para 12.1 to confirm it will be a UNC-related document.

### Timetable

The Workgroup then discussed the timetable within the Framework. DMO advised that “10 business days” has now been included in Step 13. The shrinkage reconciliation process needs to be completed by 31 July so the date has been amended to align with the reconciliation process.

DMO clarified that all references to the newly defined term of Independent Shrinkage Provider will be removed as discussed above.

RHa provided an overview of the amended dates in the timetable. It was confirmed that the process is akin to the AUG statement.

DMO highlighted that there has been a lot of back and forth with the shrinkage error and industry in terms of what the shrinkage error model will look like. There will be a report at the end of the ISE process each year, with meetings along the way. ER highlighted that the steps are similar to the AUG process in terms of implementation. The difference is the dates as AUG is tied to the gas year and this is tied to the financial year.

Review of the Uniform Network Code Committee Independent Shrinkage Sub-Committee Terms of Reference (see Appendix 3 of the Modification)

The Independent Shrinkage Sub-Committee, which is a sub-committee of the UNCC, operates in the same way as the AUG sub-committee. The timings have been amended under section 2.2 "Meetings".

### 3. Rough Order of Magnitude (ROM)

ER provided an overview of the ROM to the Workgroup following the review of the Business Rules which included a discussion on a lot of the things mentioned within the ROM. There are 3 areas to be considered and assessed:

1. Loading and assigning daily shrinkage into Gemini. This is currently done for DNOs but not IGTs;
2. Ensuring we reflect that every appropriate shrinkage value is removed from UIG; and
3. Considering a reconciliation activity and how it works with ISE if approved.

The biggest point for discussion is procurement. There is no cost range specified within the ROM due to the fact there has not yet been a role similar to the one in the Modification. There is also no cost range being provided for the ongoing management as, at present, there is no idea of what the supporting activities would look like. This information is likely to be obtained during Detailed Design.

The impacted parties are DNO, Shippers and IGT. DNO and IGT members are identified as potentially purchasing additional gas to cover the ISC. Shipper Members will have an indirect impact due to changes in UIG.

There will be a direct impact on the Gemini system. The screens will need to be enhanced as daily Independent Shrinkage Charge values will need to be provided in addition to DNO values. Currently, this is done for DNOs but not yet for IGTs so this would need to be created. The proposal from a system perspective is that when a value is obtained from DNOs, if the ISC is approved, we would put it on top of the DNO amount so that it goes into the system as one number. For IGTs their shrinkage value is always 0 so the input into the system for IGTs will be the ISC value.

The main changes to the functionality in the system are to ensure it's mapped to LDZ. Currently, there is only a one-to-one relationship with DNO, this would therefore need to be mapped to have an IGT to LDZ relationship.

The biggest impact would be the screen updates and the mapping. In relation to reflecting shrinkage in UIG, there will need to be changes made to some calculations to ensure correct utilisation to ensure all has been accounted for and nothing has been missed.

ER also discussed the impact on reconciliation and the annual process provided at the end of the year. This is done via ORD-LDZ which is loaded into the UK Link Manual. If a DNO purchases too much gas, there is a credit to the Shipper and vice versa. This method is being considered to apply to IGTs. If the ISE reconciliation statement is approved by Ofgem, the proposal is to utilise the same format to ensure it is processed in the same way. It will need to be set up as being received from a different person. It will be done through the RTE process.

Please refer to the ROM example presentation slides published for the visual representation example provided by CDSP.

RHa raised the wording of "*assuming they have not been disapproved by Ofgem*". In response, ER stated that the wording needs to be updated because of the "deemed approved" wording.

RHa highlighted that this ROM was published in October and has not been changed since, the Workgroup has had plenty of time to consider. Once the amended Modification has been published, the ROM may need to be updated.

Following a review of the Business Rules, ER confirmed that there have been no discussions

which will require amending the ROM. When the ROM has been updated, the link referring to the example will also need to be updated.

RHa noted the .ORD file flow is required.

In terms of the UIG reconciliation process, CDSP didn't see a requirement to distinguish between the amounts, these will be merged from a shipper perspective. If a lot of interest is obtained about whether it is IGT or DNO, this may need to be changed in the future. ER highlighted that this would be a fundamental change to the UK Link System, the benefit case will need to be assessed if this is required. It is thought that mainly Gemini will be impacted.

In terms of costs on the system side, there is a wide range to ensure everything can be managed. From a recourse support point of view and from representation at the meeting, ER could not confirm whether additional resources would be required. CDSP will need to await the Detailed Design to understand what is needed. In terms of the implementation, there will need to be a procurement exercise which will guide when it falls into place. From a system perspective, CDSP are advising an ad hoc, stand-alone release. Typically, there is a 12-month minimum lead time for the procurement exercise. Due to this Modification being new and CDSP not understanding the nature of it yet, a lot of consideration will need to be given to the requirements. CDSP believe that 18 months will be more realistic to take into account the 2-phased approach for procurement to obtain initial views and understand what is currently in the market, based on this, procurement will then be more tailored. This is an ongoing process, there will need to be 2 weeks lead time to get the ISC values loaded into Gemini.

In terms of the funding split, this is normally decided by DSC Change Management Committee. However since the Modification has been specific, then the split is whatever the Modification requires. DSC Change Management Committee would not have the authority to change who is responsible for the costs in this case.

#### **4. GDN Assessment of Supporting Evidence**

Deferred to 22 February 2024.

#### **5. Consideration of IGT Impacts**

Deferred to 22 February 2024.

#### **6. Legal Text Review (1<sup>st</sup> Draft)**

DMi asked the Workgroup whether they think this is a suitable point to request Legal Text.

SM suggested that the Modification requires further refinement. Bearing in mind an extension is going to be requested from Panel, the Workgroup need to be in a position where the Modification is being considered in its final form in order to reasonably ask for Legal Text to be produced. DMO advised that there does not seem to be any further significant changes to be made.

RHa suggested that if DMO can produce an amended Modification which would be version 10, for DMi to review prior to the Panel meeting, the request for Legal Text could be made at February Panel.

DMo advised that he can get a version of the amended Modification v10 out by the end of the week to allow DMi sufficient time to consider it prior to February Panel.

#### **7. Development of Workgroup Report**

The Workgroup Report will be considered following publication of version 10 of the Modification.

#### **8. Next Steps**

- DMO to finalise version 10 of the Modification by the end of the week for DMi to review and make a decision regarding the Legal Text request which is due to go to Panel on 15 February;
- ISE appendix analysis is to be included in the agenda to be discussed at the start of the next meeting on 22 February by Colin Wainwright (CW);

- PE leakage for INA to be considered; and
- Anne Jackson (AJ) to join next month's meeting to discuss IGT Impacts.

**9. Any Other Business**

No other business was raised.

**10. Diary Planning**

0843 Meetings are listed at: <https://www.gasgovernance.co.uk/0843>

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

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"> <li>• Legal Text Review (if available)</li> <li>• PE leakage for INA</li> <li>• IGT impacts</li> <li>• ISE appendix analysis</li> <li>• Development of Workgroup Report</li> </ul>
10:00 Thursday 28 March 2024	5 pm Wednesday 20 March 2024	Microsoft Teams	<ul style="list-style-type: none"> <li>• Development of Workgroup Report</li> </ul>

**Workgroup 0843 Action Table**

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0901	27/09/23	2.0	Ofgem (VT) and Proposer (DMo) to meet offline to consider the potential interactions for the process with Ofgem in considering an additional Independent Shrinkage Charge (ISC).	October	Ofgem (VT) / Proposer (DMo)	Closed
0902	27/09/23	8.0	GDNs to confirm what actionable information is required which would allow industry enhancements/improvements.	October	All GDNs	Closed
0101	25/01/2024	2.0	RHa to investigate references regarding what happens if UNCC approval has not been obtained.	January	RHa	Pending

**UNC Workgroup 0851R  
Extending the Annually Read PC4 Supply Meter Point (SMP) read  
submission Window**

**Thursday 25 January 2024**

**via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Nikita Bagga (Secretary)	(NB)	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

*This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.*

*Please note these minutes do not replicate/include detailed content provided, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0851R/250124>.*

*The Workgroup Report is due to be presented at the UNC Modification Panel by 18 April 2024.*

## 1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed all parties to the meeting. David Morley (DMo) provided a recap on what the Modification involves. DMo explained that there is currently a 25 SPSBD (Supply Point System Business Days) limit to submit meter reads and there are issues relating to missing this window and the reads therefore becoming unusable. In response to this, the

Proposer is looking to raise a Modification to expand the 25 SPSBD window to align with electricity market-wide half hourly.

### 1.1 Approval of Minutes (11 December 2023)

RHa raised the amendments made by CDSP to the minutes following the last meeting. The Workgroup confirmed they were happy with the proposed amendments and the changes were approved.

RHa confirmed a clean set of minutes would be published for Workgroup 0815R 11 December 2023.

### 1.2 Approval of Late Papers

There was 1 set of late papers that the Workgroup Participants approved for this meeting. This was the PAC response provided by Anne Jackson (AJ).

### 1.3 Review of Outstanding Actions

**1101:** PAFA (AJ) to obtain PAC views on possible actions related to this Review group and on what they would wish to contribute.

**Update:** AJ provided an update, advising that PAC do wish to contribute. The presentation discussed the outcomes and feedback from PAC following the questions put to them. PAC would like to contribute due to the potential impact of valid readings not getting into settlement and the effect this would have on the overall accuracy.

When discussing the proposed questions for a new PAC-led RFI to gather information for 0851R, AJ raised that there are UNC requirements around validation and some concerns that parties answering the questions would be indicating whether or not they are meeting the validation requirements as specified in the UNC. A caveat has therefore been included at the top of the questionnaire regarding confidentiality.

DMo raised that he had a further question he would like to include – *“If we extend the window beyond 25 SPSBDs, will your processes continue to pass through the majority of your reads within 25 SPSBDs?”*. Steve Mulinganie (SM) raised that the concern is not people sitting on their reads, the concern is people could be deciding to not submit until the last minute. In response, AJ questioned whether the wording of the additional question should be amended to state *“Do you wait until the threshold or do you send them [the reads] as soon as they are dealt with?”*. Furthermore, it was discussed that a question relating to batched reads could also be considered and what triggers someone to submit their reads. If people are withholding their reads, this is something that needs to be considered further and the need to investigate why this might be happening, but the hope is that the staggered timescales will prevent withholding.

SM raised that the key thing is to understand the benefit of having additional days in the window to submit reads in and to understand how many more valid reads will be obtained if the window is extended. AJ advised she would revisit the questions to ensure they capture this rationale.

SM raised a question relating to the different levels (specified in UNC TPD M 5.9.4) however, AJ advised this is tricky. There are levels in the Code currently but the understanding is that those levels don't impact accuracy. They can be checked only after 100% of reads have been submitted.

The intention is to distinguish between those reads which are valid and the valid reads which are being lost. RHa advised it would be worth noting on the questionnaire the rationale behind requesting the information, it is being collected to help validate the hypothesis that “more reads could be captured into settlement if the submission window was made longer”. The response to the questions will act as evidence to confirm the length of the extended window.

## RFI Feedback to UNC0851R Workgroup PC3 & PC4 Meter Reading Submissions

AJ presented slides 1-4. AJ advised that PAC had conducted an RFI previously in which they obtained feedback. DMO questioned whether there were reasons for why reads could not be obtained or in the event they were obtained, why they could not be submitted however, AJ advised that the questions were not that specific.

SM highlighted that a good level of responses had been obtained previously.

The remainder of the slides were not deemed relevant for 0851R.

RHa summarised that the 25 SPSBDs is felt to potentially be too short and extending the window should lead to further reads being obtained and getting into settlement. The evidence obtained from the information provided should assist with deciding by how much to extend the window.

ER drew reference to the mention of Product Class 3 (PC3) and questioned the relevancy of including this data as DMO is focusing on PC4 so there is an assumption that the Modification would be based on PC4. DMO advised PC3 may not be required but he will take it away and ask his team if 7 days is too tight.

**New Action 0101:** DMO to ascertain whether the data from Product Class 3 needs to be considered.

**Post Meeting Update:**

DMO confirmed that given that sites in PC3 should be retrieving reads regularly for meters which are communicating regularly and as expected, expanding the PC3 read window at this point in time is not something that he wanted to pursue as part of Review 0851R. Therefore there was no need to include PC3 in the forthcoming RFI.

RHa asked and DMO confirmed that the rule being amended is in respect of PC4 (both annual and monthly); it will apply to both. RHa raised the idea discussed by DMO in that the window could be extended to 80 days. DMO advised this is a minded to position currently, it mirrors what is being done in the electricity space.

- 5. Of the actual meter readings your organisation obtains (whether valid or not, but not estimates), what percentage of these reads are successfully loaded into Settlement and /or Customer billing (where known).

Area	Settlement Only	Settlement & Customer Billing	Customer Billing Only	Not used	Total
For each category above: Percentage of Reads obtained (no estimates)	X%	Y%	Z%	AA%	100%

Lee Greenwood (LG) referred to question 5 (see above) and asked whether the Workgroup wants to be specific regarding the time frames; different people might interpret differently which could cause skewed results. AJ advised that it is likely to skew the results because you are considering data from Summer and Winter. 12 months is the best option but whether this is easy for everyone to track is unknown. The different times of the year may also have an impact on the rejected reads. RHa suggested the wording “*ideally look at over 12 months if you can*” or where data is provided, asking the person to indicate the period for which the data relates. If data has been obtained for 6 months this is still better than no data being provided at all. This is why a preamble would be important. **Closed.**

**1102:** (Shippers) To confirm if they hold back meter reads that they anticipate won't meet the valid read criteria.

**Update:** RHa advised that the JO had not received any feedback specifically relating to this

action; DMO had also not received anything. As this action was superseded by the RFI, it was agreed this action would be closed. **Closed.**

**1103:** PAFA (AJ) to review PAC RFI data and ascertain if sufficient detail for Review purposes. If not, ask of PAC would issue an RFI on behalf of the Review Group.

**Update:** The Workgroup agreed to close this action. See update relating to Action 1101 above. **Closed.**

**1201:** PAC to consider whether they want staggered benchmarks and if so, does the suggestion on slide 5 work for PAC? If not, can PAC suggest anything else? Consideration of wording in TPD Section M 5.9.4.

**Update:** DMO provided an overview of the presentation slides, explaining that 80 days allows for time to visit the site. The intention is not to promote invalid reads as a way of not considering the rejected reads option. RHa raised concerns surrounding the presentation in that anyone who gets an RFI from PAC will see what is being looked for, but this needs to tie into the narrative. There will also need to be consideration in the drafting of the Modification.

In terms of the sweet spot, SM suggested starting with 25 and moving up incrementally as a pragmatic approach, this will allow the impact on billing to be observed. DMO highlighted that continuing with 25 SPSBDs is arbitrary.

Louise Hellyer (LH) stated that the current benchmark is the baseline, whatever is currently being obtained is the first line and anything further is a bonus. The data obtained can help to promote the Modification.

SM highlighted that it is unlikely to create a detrimental impact, it can only improve the position. The first level/benchmark should be the current arrangement as we can measure historical data as a minimum.

ER advised that CDSP have a presentation on what the sweet spot may be. In relation to the different levels, there will be a need to ensure consideration of whether the wording relates (as is currently) to “obtained reads” for both CDSP and PAFA to consider, this will need to be done based on portfolio size. CDSP will need to wait until the end of the process to see what has been obtained. Another option is to have the wording relate to portfolio size so that performance could be calculated before 100% of reads are obtained. Fiona Cottam (FC) raised that PAFA is concerned about the data latency. The way the Code is currently drafted (“obtained reads”) means you need to know the final position to understand how much was obtained at the start. RHa reviewed the point of the staggered benchmarks and their use - the idea is to encourage everyone to submit their reads as opposed to sitting on them. FC raised that there are 2 different things at play – the system capability and the window. There may be something for PAC to look at and consider if there is a concern regarding a lack of compliance. FC further raised that there is not a report for every UNC obligation being submitted to PAC.

SM raised that PAC has limitations in terms of what they can do in the event of not meeting absolute requirements in the UNC. It is a pragmatic approach versus the system capabilities position. The Code is not absolute as it stands. This is about enhancing and improving settlement without there being an adverse effect elsewhere. ER raised that even if PAC do not wish to have a report at this stage, it would be beneficial in the future to see how people are performing at each of these levels rather than waiting until after the event to see how things are working.

A pragmatic starting point would be to go through file reports and provide statistics. The intention is to not imply the process is being made less robust.

RHa noted AJ’s comment “*This will not help settlement*”. AJ explained that the earlier reads are submitted does help settlement, but the deadline for how long after a read date is submitted is not going to change the settlement accuracy.

The intention for the Modification is to obtain more reads into settlement but this could affect reconciliation, making reconciliation take longer. These discussions are a way of trying to mitigate this effect, keep a good pace of submissions and ensure that a good chunk of reconciliations occur without destroying the current process.

RHa suggested 80-90% of submissions by 25 SPSBD.

The Workgroup discussed the possibility of not submitting reads by the first threshold and the impact this may have on the remainder of the readings obtained. SM advised that his view is that this doesn't restrict the ability to submit meter reads later on. ER confirmed that if someone doesn't submit by the threshold, the system will not reject further reads being submitted if the first threshold is not met. Meeting the first threshold is an aim.

RHa asked the Proposer to discuss this offline with PAFA and CDSP and report back to the next Workgroup meeting with an update.

**New Action 0102:** DMo to arrange a meeting with PAFA and CDSP to discuss any proposed change to UNC Section M 5.9.4.

Please refer to the presentation slides published for further details and information. **Carried Forward.**

**1202:** CDSP to consider what the optimal supply point business days is such that the impact is to only extend by one month's cycle. What is the sweet spot?

**Update:** RHa suggested Workgroup re-look at the material provided last month by the CDSP. FC confirmed CDSP was trying to discover what the optimum level of business days would be. 60 days would move to the 4<sup>th</sup> following month so what could be done to move only by 1 month. At this point, CDSP are unable to confirm how many extra reads would be obtained if the window was changed from 25 to 45 days.

CDSP conclusion was caveated by the following: business day counts depend on the fall of weekends and bank holidays: eg April 2023 was an 18-business day month due to starting on a Saturday and having 2 Easter Bank holidays. The conclusion is that based on 2023 to 2025 calendar years, a figure of **45 to 47 days** seems to be the minimum to ensure that no AQ or reconciliation transactions would be delayed until the 4th following month (except for existing Reconciliation exceptions).

FC noted that analysis of current read rejections would not give the full picture of read submission volumes or patterns – several Shippers report that they do not submit reads that have “timed out” . If the window were extended, it is not known what the submission profile of reads would

Please refer to the presentation slides published for further details and information. The Workgroup agreed to close this action **Closed.**

## 2. Review Discussion

### 2.1 Consider options presented in light of CDSP feedback

Please refer to section 1.3 for the discussion on the outstanding Actions.

### 2.2 Assessment of any data available and any further data required

Please refer to section 1.3 for the discussion on the outstanding Actions.

### 2.3 Workgroup assessment of options for a Modification

Please refer to section 1.3 for the discussion on the outstanding Actions.

## 3. Next Steps

Discussions next month will depend on the results of actions taken by PAC and by the Proposer.

## 4. Any Other Business

No other business was raised.

## 5. Diary Planning

0851R Meetings are listed at: <https://www.gasgovernance.co.uk/0851R>

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

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"> <li>Review Action updates</li> <li>Development of Workgroup Report</li> </ul>
10:00 Thursday 28 March 2024	5 pm Wednesday 20 March 2024	Microsoft Teams	<ul style="list-style-type: none"> <li>Completion of Workgroup Report</li> </ul>

Workgroup 0851R Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
1101	23/11/2023	1	PAFA (AJ) to obtain PAC views on possible actions related to this Review group and on what they would wish to contribute.	January 24	PAFA (AJ)	Closed
1102	23/11/2023	1	(Shippers) To confirm if they hold back meter reads that they anticipate won't meet the valid read criteria.	December 23	Shippers	Closed
1103	23/11/2023	1	PAFA (AJ) to review PAC RFI data and ascertain if sufficient detail for Review purposes. If not, ask of PAC would issue an RFI on behalf of the Review Group.	January 24	PAFA (AJ)	Closed
1201	11/12/2023	2	PAC to consider whether they want staggered benchmarks and if so, does the suggestion on slide 5 work for PAC? If not, can PAC suggest anything else. Consideration of wording in TPD Section M 5.9.4.	December 23	PAC	Carried Forward
1202	11/12/2023	3	CDSP to consider what the optimal supply point business days is such that the impact is to only extend by one month's cycle. What is the sweet spot?	December 23	CDSP	Closed

<b>Workgroup 0851R Action Table</b>						
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Reporting Month</b>	<b>Owner</b>	<b>Status Update</b>
<b>0101</b>	25/01/2024	1.3	DMo to ascertain whether the data from Product Class 3 needs to be considered.	January 24	DMo	<b>Pending</b>
<b>0102</b>	25/01/2024	1.3	DMo to arrange a meeting with PAFA and CDSP to discuss any proposed change to UNC Section M 5.9.4.	January 24	DMo	<b>Pending</b>

**UNC Workgroup 0862  
Amendments to the current Unidentified Gas Reconciliation Period  
arrangements**

**Thursday 25 January 2024**

**via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Nikita Bagga (Secretary)	(NB)	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

*This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.*

*Please note these minutes do not replicate/include detailed content provided, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0862/250124>.*

*The Workgroup Report is due to be presented at the UNC Modification Panel by 18 April 2024.*

## 1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed all parties to the meeting.

Steve Mulinganie (SM) provided an overview of the Modification, explaining that it is in relation to apportioning the UIG charge correctly. SM will be providing a more in-depth presentation at the next meeting on 22 February.

### 1.1 Approval of Minutes (11 December 2023)

The previous minutes were approved.

### 1.2 Approval of Late Papers

A tracked version of the Modification was provided to the Workgroup late, however Workgroup wished to review the material and so the document was accepted.

### 1.3 Review of Outstanding Actions

**1101:** CDSP (ER) to consider the best delivery path for this Modification and any transitional arrangements likely required.

**Update:** It was agreed amongst the Workgroup that this action would be closed as the action is covered below under consideration of the ROM. **Closed.**

**1102:** JO (RHa) to remove generalised Panel questions in the Workgroup Report (WGR).

**Update:** RHa advised she would need to look into this and it was therefore agreed that this action would be carried forward. **Carried Forward**

## 2. Consider Industry Feedback

The Workgroup reviewed the amended Modification published and SM advised that there does not appear to be any material changes made to the Modification. The Business Rules are relatively simple and the plan is that further detail will be provided in the presentation at the next meeting on 22 February.

### Business Rule 2

This Business Rule was considered amongst the Workgroup and RHa identified it looks more like a guidance note as opposed to a Business Rule. SM stated this would be amended ahead of the next meeting.

### **Rough Order of Magnitude (ROM)**

Ellie Rogers (ER) advised a preliminary ROM has been produced given the early stage of the request for a ROM. A further ROM may be produced after the Modification has undergone more development at Workgroup. CDSP's internal view is that the details may not need to be included within the Modification, but it provides some clarity.

ER provided an overview of what has been requested. Given the early stage in the process, the overview was kept general. Currently, the way in which UIG is reconciled involves taking it and splitting it into 12 periods, each month there is a UIG reconciliation. With SM's proposal, the UIG reconciliation will occur from a meter read occurrence, not necessarily within the 12-month process. This will therefore be a simple change with minimal detail.

In relation to the implementation of the Modification, CDSP are currently looking into whether this will be a big-bang approach or whether a transitional arrangement will need to be put in place. The big-bang approach is considered the best and easiest route as there will be no requirement for transitional rules. Further, in relation to implementation, there is a big range for the costs. This is because CDSP does not anticipate ongoing costs. Further information relating to costs will be confirmed during the Detailed Design.

There will be no change to the amount of UIG which is why only shippers will be affected. The file structure will stay the same. The process for raising UIG Reconciliation charges for voluntarily discontinued or terminated shippers remains unchanged.. See extract from ROM below:

*“On the surface this is a relatively simple change as Modification 0862 seeks to change the period that the Unidentified Gas Reconciliation is allocated against but does not seek to change any other element of how Unidentified Gas is reconciled”.*

As the meter point reconciliation is done every month, the monthly reconciliation values will

apply. The new approach will be considered at a granular level which is something that is not being done currently.

A few reports will be impacted as a result but these are currently being assessed to see if they need to be changed.

It will either be a major release or stand-alone, this will be decided by DSC Change Management Committee and guided by any dates within the Workgroup.

David Morley (DMo) confirmed he is happy to present second to allow SM to present first at the next meeting on 22 February.

**3. Business Rule Development**

Deferred to 22 February 2024.

**4. Next Steps**

The Workgroup will consider an in-depth review of the processes at the next meeting.

**5. Any Other Business**

No other business was raised.

**6. Diary Planning**

0862 Meetings are listed at: <https://www.gasgovernance.co.uk/0862>

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

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"> <li>Legal Text Review</li> <li>Development of Workgroup Report</li> <li>Review of the processes</li> </ul>
10:00 Thursday 28 March 2024	5 pm Wednesday 20 March 2024	Microsoft Teams	<ul style="list-style-type: none"> <li>Completion of Workgroup Report</li> </ul>

Workgroup 0862 Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
1101	23/11/2023	1	CDSP (ER) to consider the best delivery path for this Modification and any transitional arrangements likely required.	January 2024	CDSP (ER)	Closed

<b>Workgroup 0862 Action Table</b>						
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Reporting Month</b>	<b>Owner</b>	<b>Status Update</b>
1102	23/11/2023	1	JO (RHa) to remove generalised Panel questions in the Workgroup Report (WGR).	January 2024	JO (RHa)	<b>Carried Forward</b>

**UNC Workgroup 0863S**  
**Erroneous Transfers Exception Process**  
**Thursday 25 January 2024**  
**via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Nikita Bagga (Secretary)	(NB)	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

*This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.*

*Please note these minutes do not replicate/include detailed content provided, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0863/250124>.*

*The Workgroup Report is due to be presented at the UNC Modification Panel by 16 May 2024.*

**1. Introduction and Status Review**

Rebecca Hailes (RHa) welcomed all parties to the meeting.

**1.1 Approval of Minutes (11 December 2023)**

The previous minutes were approved.

## 1.2 Approval of Late Papers

There were no late papers to approve.

## 1.3 Review of Outstanding Actions

**1201:** SM to provide an update to the Workgroup following discussions with REC.

**Update:** Steve Mulinganie (SM) provided an update to the Workgroup following his communications with Lorna Mallen (REC) who was happy for her comments to be published. SM took Workgroup through the comments, concluding that unless all Suppliers (i.e. including domestic and non-domestic) are mandated to follow the process, it would not really work in REC. SM advised he is happy for the Workgroup to take away the comments and he will come back to the next meeting with a minded to position. The question of whether the Modification should be taken through the REC process has been answered – the answer is no. He will now go through the internal process of revising the Modification ready for the next meeting. **Carried Forward**

## 2. Workgroup Discussion

Deferred to 22 February.

## 3. Next Steps

An amended Modification is expected for the next meeting.

## 4. Any Other Business

No other business was raised.

## 5. Diary Planning

0863S Meetings are listed at: <https://www.gasgovernance.co.uk/0863>

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

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"> <li>Consideration of amended Modification</li> <li>Development of Workgroup Report</li> </ul>
10:00 Thursday 28 March 2024	5 pm Wednesday 20 March 2024	Microsoft Teams	<ul style="list-style-type: none"> <li>Legal Text Review</li> <li>Development of Workgroup Report</li> </ul>

**Workgroup 0863 Action Table**

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
1201	11/12/2023	2	SM to provide an update to the Workgroup following discussions with REC.	January 2024	SM	Carried Forward