

**UNC Distribution Workgroup Minutes**  
**Thursday 22 September 2022**  
**via Microsoft Teams**

<b>Attendees</b>		
Eric Fowler (Chair)	(AR)	Joint Office ( <i>morning</i> )
Rebecca Hailes (Chair)	(RH)	Joint Office ( <i>afternoon</i> )
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF ( <i>pre-Modification discussion only</i> )
Anna Kapeni	(AK)	Northern Gas Networks ( <i>0818 only</i> )
Anne Jackson	(AJ)	Gemserv ( <i>0812R only</i> )
Ben Mulcahy	(BM)	Northern Gas Networks
Claire Louise Roberts	(CLR)	ScottishPower
Conor Adams	(CA)	ScottishPower
David Mitchell	(DM)	SGN
David Reynolds	(DR)	Northern Gas Networks
Ellie Rogers	(ER)	Xoserve
Gurvinder Dosanjh	(GD)	Cadent
Joel Martin	(JM)	SGN
John Baldwin	(JB)	CNG Services Ltd ( <i>0808 only</i> )
Kathryn Adeseye	(KA)	Xoserve
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Michelle Brown	(MB)	Energy Assets
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dist/220922>

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: [www.gasgovernance.co.uk/dist/220922](http://www.gasgovernance.co.uk/dist/220922)

## 1. Introduction and Status Review

Eric Fowler (EF) welcomed everyone to the meeting and gave a brief overview of the scheduled items for discussion.

### 1.1. Approval of Minutes (25 August 2022)

The minutes from the previous Distribution Workgroup were approved.

### 1.2. Approval of late papers

EF advised there were no late papers for the main meeting but there are papers for some of the workgroups.

### 1.3. Review Outstanding Actions

**0105:** Joint Office, in conjunction with Xoserve, to review the Transmission Workgroup Change Horizon to assess if there is a suitable version for Distribution Workgroup.

**Update:** EF showed onscreen the sample report that Ellie Rogers (ER) has provided which is similar to the report that is provided to Transmission Workgroup.

Workgroup considered the report and suggested the Report Date; Modification number and approved for implementation date is added to it.

It was agreed that this will be a standard agenda item going forward and CDSP will update it as and when necessary. ER explained that some months there may be little or no change. **Closed.**

**0108: Industry Update from Ofgem** - Joint Office (EF) to advise Ofgem of the request for an excel version of the *Code Modification / Modification Proposals with Ofgem for decision - Expected publication dates timetable* to be published.

**Update:** EF confirmed he has approached Ofgem with the suggestion and they will consider and advise. **Carried Forward**

**0208: CSS REC Consequential Changes Update** - CDSP (ER) to confirm the CSS implementation of CRD129 is delivered and consider if a reconciliation report can be made available to all parties.

**Update:** ER requested the wording for the action is updated to show that CDSP are awaiting CSS implementation and that the update is included in agenda item 2.0 CSS REC Consequential Changes Update. **Closed**

#### **1.4. User Representative process**

**1.5.** EF confirmed that the 2022-23 User Representative process has concluded, and memberships will commence on 01 October 2022.

#### **1.6. Industry Update from Ofgem**

EF confirmed publication of the “Code Modification / Modification Proposals with Ofgem for decision - Expected publication dates timetable”, last published 22 July 2022: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>.

#### **1.7. Pre-Modification discussions**

##### **1.7.1. Removal of the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modification 0434**

Aleksandra Cebo (ACe) introduced a pre-modification which proposes to:

*To remove the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modification 0434 and further amended by Modification 0651.*

For reference, the links to the associated Modifications 0434 and 0651 are below:

[Modification 0434](#) – Project Nexus – Retrospective Adjustment

*Purpose:*

*This Modification is one of three complementary Modifications seeking to implement the requirements identified under Project Nexus. This Modification identifies changes to the UNC to enable the retrospective adjustment of relevant Transportation and Energy Balancing invoices through the entering of revised Meter Information, Meter Readings, relevant Supply Point and Address data to the Supply Point Register.*

[Modification 0651](#) - Changes to the Retrospective Data Update provisions

*Purpose:*

*This UNC Modification is seeking to amend those changes to the UNC identified within UNC Modification 0434 Project Nexus – Retrospective Adjustment specifically relating to Retrospective Data Updates, to incorporate the requirements of Option 4 as identified within the Request 0624R Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address Data Workgroup.*

### **Why Change - Slide 2**

ACe explained that during development of Modification 0651 solution, Xoserve carried out a Proof of Concept (POC) exercise to enable them to better understand the extent of the data misalignment between Shipper and Supply Point Registration systems. Xoserve have subsequently clarified the potential costs of delivering a UK Link solution aligned to Modification 0651.

Given the materiality of this solution and its associated costs and impacts, alongside the identification of an alternative solution, ACe explained this Modification seeks to remove the remaining Modification 0434 arrangements as modified by Modification 0651.

ER noted that CDSP will implement whatever is directed by CDSP customers. This Modification is being raised as parties felt there was no longer the benefit to be realised as opposed to when it was originally raised.

ACe clarified that Modification 0651 was approved for implementation in March 2019 and the solution is still pending.

ER further advised that Modification 0651 solution, in general, is still progressing within the DSC Change Management Committee and Committee members have asked for CDSP to provide costs for the change and will provide further updates direct to the DSC Change Management Committee.

ER advised that during development of the solution and the consultation for Modification 0651, industry were not in agreement and the costs of implementation into Central Systems increased significantly and identified the solution would not bring the desired benefit.

When ACe noted the Workgroup Development timeline for this Modification is suggested to be 3-months, SM highlighted 3-months is very short considering the topics being considered throughout the industry at the moment and suggested that 6-months would take the timeline further through the winter period and a more pragmatic approach, he clarified this would not be to delay its progress but just more time to process

SM noted, knowing the nature of this Modification and how long ago Modification 0651 was approved, the implementation of Modification 0651 should not be delayed as a result of a new Modification being raised. He asked for consideration of how the progression of the new Modification will be managed in relation to the implementation of Modification 0651.

ACe clarified that if the solution for Modification 0651 is already being progressed, then progressing this Modification in parallel could be a good option.

ACe concluded her presentation by confirming the intention is to present the proposal to the October 2022 Modification Panel meeting and recommend that Authority Direction procedures are followed.

## **2. CSS REC Consequential Changes Update**

Dave Addison (DA) provided the following verbal update:

### **Missing Gate Closure messages:**

CDSP have been requesting that Landmark / DCC focus on resolution of the issue causing 'missing' and 'late' Gate Closure messages, to date CDSP have not received the CSS view of which 'missing' messages should have resulted in a Registration in the CSS System (and consequently in the Gas Settlement systems (UK Link)). CDSP have impressed upon DCC that the resolution of these issues need to be 'industry agreed' and that these may need to be made on a case-by-case basis with the parties involved.

Landmark deployed a fix to resolve 'missing' Gate Closure messages in late August – but CDSP have seen some further missing messages and were advised this may be the case. It is suspected that these are instances of cancellations that have not been issued, but this will be subject to the reconciliation exercise.

#### **Late Gate Closure messages:**

A fix was deployed in Landmark systems to prevent messages going into a queuing system known as 'retry'. This queues messages and retries at hourly intervals. CDSP have seen in excess of 500 messages go into 'retry', which, had CDSP not had the Reconciliation activity in the UK Link estate, might have caused issues with missing these from onward processes. CDSP have not seen instances of Late messages (i.e. after 18:00) since 01 September.

#### **CRD061 / REC Change R0067:**

Resend Message Requests.

This change is progressing through REC Governance. It will allow parties that interact with CSS to ask for a Resend of a message if it believes that a message has been missed or is late. This should help mitigate missing Gate Closure messages, provided that this is able to respond to all Registration states (i.e. as well as Pending and Active).

Xoserve have responded with comments on the proposed solution, and this will be considered as part of the Implementation Assessment (IA). Xoserve expect that this will be issued for a Short Preliminary IA to REC Parties, but this should be subject to a detailed IA by Landmark.

**Note:** In order to prioritise this Xoserve have highlighted that Switch activities and First Registration should be prioritised as High priority; Xoserve have asked that Landmark continue to pursue the Change of Shipper flow as part of this change, but this may be with a lower priority.

Xoserve will need to assess the DCC / Landmark proposal for missing messages as to what they need to do within UK Link systems and also within the UNC itself. Xoserve understand that Landmark cannot regenerate missing Gate Closure messages – which might require a UNC Modification to be able to act upon an instruction to set Registrations live. Any UNC Modification will need to assess the impacts of the discrepancy between CSS and UK Link Registration information, potentially describing a simplified adjustment process. An XRN has been raised in DSC to determine the solution for dealing with these Registrations.

### **3. Workgroups**

#### **3.1. 0808 – Reverse Compression – deferred to October 2022**

(Report to Panel 15 September 2022)

<https://www.gasgovernance.co.uk/0808>

EF confirmed that the September UNC Panel instructed that offline discussions need to be completed before this Modification can be further considered at Workgroup. Therefore this Workgroup has been deferred to October 2022.

John Baldwin (JB) advised he is attending the Entry Forum meeting next Tuesday a bimonthly meeting next one next Tuesday 27 September 2022 to debate a GT to GT arrangement.

JB further confirmed that offline discussions with the DNs will have been completed ahead of the October 2022 Workgroup and a consensus reached of what the revised version of the Modification needs to include, if a Modification is needed.

**3.2. 0811S– Shipper Agreed Read (SAR) exceptions process**

(Due to Report to Panel 20 October 2022)

<https://www.gasgovernance.co.uk/0811>

**3.3. 0812R– Review of Alternatives to “Must Read” Arrangements**

(Due to Report to Panel 20 April 2023)

<https://www.gasgovernance.co.uk/0812>

**3.4. 0813 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers**

(Report to Panel 19 January 2023)

<https://www.gasgovernance.co.uk/0813>

**3.5. 0816S – Update to AQ Correction Processes – deferred to October 2022**

(Report to Panel 17 November 2022)

<https://www.gasgovernance.co.uk/0816>

**3.6. 0818 - Releasing of unused capacity under a specific set of circumstances**

(Report to Panel 19 January 2023)

<https://www.gasgovernance.co.uk/0818/>

**3.7. 0819 - Establishing/Amending a Gas Vacant Site Process**

(Report to Panel 19 January 2023)

<https://www.gasgovernance.co.uk/0819>

**4. Matters for Workgroup Consideration**

**4.1. Current energy prices and AQ amendments**

Claire Louise Roberts (CLR) advised Workgroup that she has been in touch with the AQ team at Xoserve and asked ER if she has had any contact with other industry parties in light of the current situation. ER clarified Xoserve have not had any further contact.

CLR advised she is considering the possibility of raising a Modification, similar to the Covid Modifications and wanted to see if any other Shippers are looking at any AQ reductions and if there is any appetite for a Modification to be raised.

Louise Hellyer (LH) advised that although she has not yet thought about it, it does seem a good idea and highlighted that the Demand Estimation Sub Committee (DESC) have previously adjusted the Annual Load Profiles (ALPs) *en masse* and wondered if that is the better route to go down.

It was noted that the industry could expect a demand reduction of 2-2.5% across the country.

SM agreed that DESC would be the best team to consider any amendment if they think the reduction is going to endure.

<b>New Action 0109:</b> Xoserve (ER) to discuss with Mark Perry, (Demand Estimation Team Manager), to request that he provide an update to the next DESC meeting on 05 October 2022).
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**5. Issues**

None raised.

**6. Any Other Business**

None raised.

**7. Diary Planning**

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 27 October 2022	5pm 18 October 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 24 November 2022	5pm 15 November 2022	Microsoft Teams	Standard Agenda
Monday 10:00 12 December 2022	5pm 01 December 2022	Microsoft Teams	Standard Agenda

**Action Table (as of 22 September 2022)**

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0105	26/05/22	6.1	Joint Office, in conjunction with Xoserve, to review the Transmission Workgroup Change Horizon to assess if there is a suitable version for Distribution Workgroup.	<del>June 2022</del> September 2022	Joint Office (RHa) and Xoserve (ER)	Closed
0108	25/08/22	1.5	<i>Industry Update from Ofgem</i> Joint Office (EF) to advise Ofgem of the request for an excel version of the <i>Code Modification / Modification Proposals with Ofgem for decision - Expected publication dates timetable</i> to be published.	<del>September 2022</del> October 2022	Joint Office (EF)	Carried Forward
0208	25/08/22	2.0	<i>CSS REC Consequential Changes Update</i> CDSP (ER) to confirm the implementation of CRD129 is successfully delivered and a see if a reconciliation report can be made available to all parties.	September 2022	CDSP (ER)	Closed
0109	22/09/22	4.1	<i>Current energy prices and AQ amendments</i> Xoserve (ER) to discuss with Mark Perry, (Demand Estimation Team Manager), to request that he provide an update to the next DESC meeting on 05 October 2022).	October 2022	CDSP (ER)	Pending

**UNC Workgroup 0811S Minutes  
Shipper Agreed Read (SAR) exceptions process  
Thursday 22 September 2022  
via Microsoft Teams**

<b>Attendees</b>		
Eric Fowler (Chair)	(AR)	Joint Office ( <i>morning</i> )
Rebecca Hailes (Chair)	(RH)	Joint Office ( <i>afternoon</i> )
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF ( <i>pre-Modification discussion only</i> )
Anne Jackson	(AJ)	Gemserv ( <i>0812R only</i> )
Ben Mulcahy	(BM)	Northern Gas Networks
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David Reynolds	(DR)	Northern Gas Networks
Ellie Rogers	(ER)	Xoserve
Gurvinder Dosanjh	(GD)	Cadent
Joel Martin	(JM)	SGN
John Baldwin	(JB)	CNG Services Ltd ( <i>0808 only</i> )
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Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Michelle Brown	(MB)	Energy Assets
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0811/220922>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 October 2022.

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/220922>

## 1.0 Introduction and Status Review

### 1.1. Approval of Minutes (25 August 2022)

Ellie Rogers (ER) has noted and suggested amendments on Action Points and Joint Office has duly amended.

The minutes from the meeting held on 25 August 2022 were approved.

### 1.2. Approval of Late Papers

There were no late papers.

### 1.3. Review of Outstanding Actions

**Action 0108:** All Shippers to review the amended Business Rules within the Modification and provide comments/concern to JO for further discussion in October 2022 Workgroup meeting.

**Update:** Joint office confirmed that no response has been received. Steve Mulinganie (SM) suggested, as there is no urgency to this Modification, could Shippers please review the updated/amended Modification and respond to SM direct or forward their comments to Joint Office. **Carried Forward**

**Action 0208:** All Shippers (where possible), to share with the CDSP typical volumes for their organisation where a SAR has been agreed between Shippers, whereas the Proposing User has failed to submit it.

**Update:** Ellie Rogers (ER) confirmed one response received. ER mentioned that the information provided would help with the ROM consideration with options compared with low and high volume. SM suggested to hold until October for more feedback to see if more responses are provided.

ER will advise the team to start with the impact assessment and will feedback to Workgroup if further responses are received. **Carried Forward**

## 2.0 Amended Modification

EF showed onscreen most recent version of the Modification, v4.0 and noted that information in Section 4 Code Specific Matters Reference Documents and Knowledge/Skills was still marked as "TBC" and suggested that SM makes the necessary amendments.

SM advised he will provide an amended Modification once the Legal Text has been finalised.

Joint Office to ensure the Legal Text is requested at the October UNC Panel.

## 3.0 Development of Workgroup Report

EF advised the Workgroup Report will be updated at the next meeting in October and reviewed the Impacts and Considerations section with Workgroup.

The following will be covered in October meeting:

- ROM
- Legal Text

## 4.0 Next Steps

EF confirmed the next steps to be:

- ER to provide feedback if further responses received from Shippers.
- Joint Office to request extension to December.
- Joint Office to request Legal Text at the October UNC Panel.

## 5.0 Any Other Business

None



## 6.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 27 October 2022	5pm 18 September 2022	Microsoft Teams	Standard Agenda

### Action Table (as at 22 September 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
<b>0108</b>	25/08/22	2.0	All Shippers to review the amended Business Rules within the Modification and provide comments/concern to JO for further discussion in October 2022 Workgroup meeting.	All Shippers	October 2022	<b>Carried Forward</b>
<b>0208</b>	25/08/22	2.0	All Shippers (where possible), to share with the CDSP typical volumes for their organisation where a SAR has been agreed between Shippers, whereas the Proposing User has failed to submit it.	All Shippers	October 2022	<b>Carried Forward</b>

**UNC Workgroup 0812R Minutes  
Review of Alternative to “Must Read” Arrangements  
Thursday 22 September 2022  
via Microsoft Teams**

<b>Attendees</b>		
Eric Fowler (Chair)	(AR)	Joint Office ( <i>morning</i> )
Rebecca Hailes (Chair)	(RH)	Joint Office ( <i>afternoon</i> )
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Anne Jackson	(AJ)	Gemserv
Ben Mulcahy	(BM)	Northern Gas Networks
Claire Louise Roberts	(CLR)	ScottishPower
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Michelle Brown	(MB)	Energy Assets
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	Northern Gas Networks

*The Workgroup Report is due to be presented at the UNC Modification Panel by 20 April 2023. 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: [www.gasgovernance.co.uk/dist/220922](http://www.gasgovernance.co.uk/dist/220922)*

## 1.0 Introduction and Status Review

### 1.1. Approval of Minutes (25 August 2022)

The minutes from the meeting held on 25 August 2022 were approved.

### 1.2. Approval of Late Papers

There were no late papers.

### 1.3. Review of Outstanding Actions

**Action 0108:** IGT (TL) to update Workgroup on what the counterargument is for IGTs expanding the Must-Read service. What explains that preference? How much is the process being used? Why are IGT taking a very different approach?

**Update:** Anne Jackson (AJ) provided an overview from Talia Lattimore that was submitted to the Joint Office as an action update as follows (and is published on the meeting page here <https://www.gasgovernance.co.uk/0812/220922>):

*TL informed the IGT UNC Workgroup of the action. A member wished to highlight that [IGT159 - Amendments to the Must Read Process](#) is a Shipper driven Modification rather*

*than an IGT driven Modification. They added that in terms of IGTs and their use of the Must Read process, all parties have a different approach. Some IGTs are very invested and committed to it and do a lot, some do not do anything at all or only do something if it suits them, with other IGTs somewhere in the middle. Other members of the Workgroup echoed these views and agreed that all IGTs take on a very different commercial approach to must reads.*

*The Workgroup discussed comments made by the UNC Distribution Workgroup (UNC0812R) whereby members noted that the provisions under the IGT UNC have expanded. TL advised that while provisions in Code have expanded the process itself had become more rigged and is expected to be used less. A members responded, adding that in terms of what we have landed with for the IGT159 solution, the pot of must reads will technically be smaller following the implementation of IGT159 and there will be less must reads collected despite the additional provisions. The CDSP had some concern that the IGT159 solution was not fully understood by the Distribution Workgroup, as they were not involved in the development. There was focus on the fact that there were differences between the two approaches, however, the IGT159 solution will actually bring the IGT must read process more in line with the approach taken by Distribution Networks, for example the intent to exclude Smart and AMR meters. They felt that using the word "expanded" was not entirely clear.*

AJ clarified that the IGT Modification, *IGT159 - Amendments to the Must Read process*, which proposes to update the Must Read process to include timescales for a site to enter the process, and to introduce timeframes for procuring and returning a read that align with Central Data Service Provider (CDSP) validation criteria, adds rigour to the process.

With regard to the action, Steve Mulinganie (SM) commented that there does not appear to be much difference between the IGT UNC, and UNC Must Read processes. **Closed**

## 2.0 Amended Modification

Richard Pomroy (RP) was invited to provide his view on what direction this Request might take and informed Workgroup that his understanding was that participants of the August Workgroup were to review the three options that were outlined as possible ways forward for the Review:

- 1) (Preferred solution) - Remove obligation on Transporters and let PAC manage any settlement risk which gives them the freedom to address the issue as they see fit;
- 2) Remove obligation on Transporters and put in place specific obligations on Shippers should they breach their meter reading obligation;
- 3) Replace the Transporter obligation in Code by arrangements for central provision of the service.

It was noted that Option 1 and the Performance Assurance Committee (PAC), with the implementation of *Modification 0674V - Performance Assurance Techniques and Controls*, seems to be the best place for this process to be managed.

In respect of Option 2 and enhancing Shipper obligations, Anne Jackson (AJ) noted that many Shippers are not meeting their current obligations in respect of meter readings. PAC are currently running a 'line in the sand' strategy, which targets Shippers with missing reads over 3-4 years and added that Shippers would have had to breach the UNC requirements 2 or 3 times over to reach that situation. AJ noted that the Must Read process resting with Transporters is in Code for a reason, and that if the process was removed from Code, then this might leave a gap with no party able to fulfil the requirement, It is not as simple as deleting the obligation from Transporters. RP advised that the history of the Must Read process, why it is in Code and the position Shippers now find themselves in, is documented in the Review.

RP commented that the Must Read process is no longer an add-on to a Transporter's existing meter reading service and that it is difficult to procure a service provider for small volume activity because networks are unable to give them any detail of likely volume or location of their requirements.

RP pointed to the commercial risk for Transporters if the arrangements put in place involve payment for a Must Read Service and not all that cost can be passed on.

It was explained that this service is triggered when the meter readings are not provided and with PAC being the guardian of Settlement accuracy it seems appropriate for this service to sit within PAC.

SM commented that PAC could oversee the arrangement, similar to a hybrid PAC governance vehicle, if PAC feels there is a need to procure the reads, PAC can procure them by any way they seem fit.

AJ noted that quite often Shippers do have the meter readings, but if they have had them for a long time, it is not so easy to get the meter reading uploaded onto the system. Workgroup noted that the issue is in two parts, firstly obtaining the reads and secondly in loading them into the systems.

EF summarised that the Workgroup are looking as to whether:

- The challenge whether transporters are the right party to obtain the meter readings? Do parties agree?
- If it is not Transporters, then who best is?

### Option 1

When ER asked if Option 1 is PAC managing the service and having the freedom to deal with issues as they see fit, RP confirmed and clarified that the service going to PAC is suggested as an absence of meter readings is a settlement risk.

### Option 3

When asked, RP explained that that a Must Read service could be carried out by CDSP and it potentially could procure a more efficient cost than someone that does not already procure such a service.

EF noted that if the responsibility does go to PAC, they may employ a party to obtain the meter readings. If that party were to be CDSP, they might have a wider remit as they could obtain *and* upload them onto the system.

**New Action 0109:** Workgroup participants to review the proposed solution options to take this Review forward:

- 1) (Preferred solution) - Remove obligation on Transporters and let PAC manage any settlement risk which gives them the freedom to address the issue as they see fit;
- 2) Remove obligation on Transporters and put in place specific obligations on Shippers should they breach their meter reading obligation;
- 3) Replace the Transporter obligation in Code by arrangements for central provision of the service.

Feedback to be provided to Joint Office [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk) and/or Richard Pomroy [Richard.pomroy@wwutilities.co.uk](mailto:Richard.pomroy@wwutilities.co.uk).

**New Action 0209:** Workgroup participants to consider if it is still appropriate for Transporters to provide the Must Read service:

if yes, please provide your reasoning.

If no, then who should provide it?

Workgroup considered that a Modification that takes the obligation away from Transporters would remove the process from Code which could imply a risk in that the service goes to PAC but there would be nothing in Code. Parties would need to be comfortable they have sufficient tools to mitigate that risk.

AJ agreed an update to PAC at their next meeting would be advantageous and feedback can be provided at the next Workgroup meeting in October.

**New Action 0309:** Workgroup Chair (RH/EF) to ask PAC for evidence on the effectiveness of must reads and the effectiveness on settlement accuracy. (Is there a benefit or value in the must read service)

1. If must reads are successfully used, to what extent do they mitigate settlement risk?
2. Are Transporters the appropriate party to provide the service?
3. If they are not, who should provide the service?

Discussions concluded

### 3.0 Issues and Questions from Panel

#### 3.1. Does the process utilised in the IGT UNC work as an alternative arrangement?

This will be considered at a future Workgroup meeting.

### 4.0 Development of Workgroup Report

This will commence at a future Workgroup meeting.

### 5.0 Next Steps

EF confirmed that the October Workgroup meeting will consider any additional views from the actions taken and then will consider what a Modification might look like.

### 6.0 Any Other Business

None.

### 7.0 Diary Planning

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

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Thursday 10:00 24 November 2022	5pm 15 November 2022	Microsoft Teams	Standard Agenda
Monday 10:00 12 December 2022	5pm 01 December 2022	Microsoft Teams	Standard Agenda

Action Table (as at 22 September 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0108	25/08/22	1.0	IGT (TL) to update Workgroup on what the counterargument is for IGTs expanding the Must-Read service. What explains that preference? How much is the process being used? Why are IGT taking a very different approach?	IGT (TL)	Closed
0109	22/09/22	2.0	Workgroup participants to review the proposed solution options to take this Review forward: 1) (Preferred solution) - Remove obligation on Transporters and let PAC manage any settlement risk which gives them the freedom to address the issue as they see fit; 2) Remove obligation on Transporters and put in place specific obligations on Shippers should they breach their meter reading obligation; 3) Replace the Transporter obligation in Code by arrangements for central provision of the service. Feedback to be provided to Joint Office <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a> and/or Richard Pomroy <a href="mailto:Richard.pomroy@wwutilities.co.uk">Richard.pomroy@wwutilities.co.uk</a> .	Workgroup participants	Pending
0209	22/09/22	2.0	Workgroup participants to consider if it is still appropriate for Transporters to provide the Must Read service: • If yes, please provide your reasoning. • If no, then who should provide it?	Workgroup participants	Pending
0309	22/09/22	2.0	Workgroup Chair (RH/EF) to ask PAC for evidence on the effectiveness of must reads and the effectiveness on settlement accuracy: (Is there a benefit or value in the must read service) • If must reads are successfully used, to what extent do they mitigate settlement risk? • Are Transporters the appropriate party to provide the service? • If they are not, who should provide the service?	Workgroup Chair (RH/EF)	Pending

**UNC Workgroup 0818 Minutes**  
**Releasing of unused capacity under a specific set of circumstances**  
**Thursday 22 September 2022**  
**via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Anna Kapeni	(AK)	Northern Gas Networks
Ben Mulcahy	(BM)	Northern Gas Networks
Claire Louise Roberts	(CLR)	ScottishPower
Conor Adams	(CA)	ScottishPower
David Mitchell	(DM)	SGN
David Reynolds	(DR)	Northern Gas Networks
Ellie Rogers	(ER)	Xoserve
Gurvinder Dosanjh	(GD)	Cadent
Joel Martin	(JM)	SGN
Kathryn Adeseye	(KA)	Xoserve
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Michelle Brown	(MB)	Energy Assets
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	Northern Gas Networks

*The Workgroup Report is due to be presented at the UNC Modification Panel by 16 March 2023.*

*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 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: [www.gasgovernance.co.uk/0818/220922](http://www.gasgovernance.co.uk/0818/220922)*

## **1.0 Outline of Modification**

Tracey Saunders (TS) provided a summary of the Modification and explained that this Modification is seeking to address the capacity which is booked but remains unused for a number of years. This is only an issue for other Shippers and end consumers where there is limited capacity available on the same part of the system. It is proposed that this Modification releases the unused capacity only where a site meets set specific criteria.

TS informed Workgroup of a 'Mod390 process', introduced via Modification 0390 – Introduction of a Supply Point Offtake Rate Review and Monitoring Process, where Transporters can annually advise Shippers of sites where they have capacity booked which is in excess of what is being utilised.

The Shipper would then need to have a discussion with the site and then a capacity reduction request would be submitted. However, TS advised this often does not resolve the issue.

When RH asked if the Mod390 process has to be used first, TS advised it is not a specific requirement but is built within the timeline process of Mod390.

When Louise Hellyer (LH) asked how many sites would potentially be eligible, TS advised Northern Gas Networks have a small number of sites that they think would fall into this process.

TS clarified that any system changes would be minimal and that Xoserve involvement would be the passing of data and if the Shipper failed to reduce their capacity within the timeframe, then CDSP would be able to step in and force it.

Ellie Rogers (ER) advised the solution would be something that would be not a full scale automated system solution.

A Workgroup member asked if this Modification includes any compensation for the capacity that is being taken off them, TS advised no compensation will be paid as the Shipper will no longer be paying for the capacity.

## 2.0 Initial Discussion

### 2.1. Issues and Questions from Panel

#### 2.1.1. This Modification gives the GDNs the power to dictate large DM sites that have booked capacity and not used it, which may be for a number of reasons – one of which currently may be due to increased gas costs. Where no relationship exists between the customer and the GDN, do Workgroup members think this is appropriate where GDN decisions may have adverse impacts on large sites such as I&C production sites and hospitals?

TS clarified the appeal process would deal with this. She accepted there will be disagreements and confirmed she has not excluded any particular type of site. TS also commented that if, for example, a hospital was ever picked up in this process it would be resolved by using the appeal process.

Steve Mulinganie (SM) noted that the Mod390 process could be used to outsource and should be required as a prior activity in the Modification, to state that Mod390 has already been utilised.

TS agreed to consider adding, as a general rule, the Mod390 process is to be run in the 12-month period prior to this process being in place, into an amended Modification

#### 2.1.2. The Modification directs that communications regarding this imposed capacity reduction are passed to the customer via the Shipper. What would happen if this communication route broke down and the GDN imposes a capacity reduction on the customer without their knowledge? Would the GDN carry the legal liability for any losses incurred by the customer?

TS advised this process relies on Shippers having a good relationship with their end consumers. The Shipper should be able to fulfil any obligation under Code and if not, be able to have that discussion with their end consumer.

SM noted the Shipper needs to have a good audit trail and note when engagement/negotiations with the customer have taken place and confirm what actions are being taken.

When LH asked if the capacity will still be reduced if a Shipper is not responding, TS thought that is unlikely to happen. LH further explained that some large sites set themselves up in quite unique ways and might not be up to date with Modifications.

**New Action 0109:** Proposer (TS) to liaise with NGN's internal processing team and consider an amendment to the Modification to include the Mod390 process.

**New Action 0209:** Proposer (TS) to provide a response to each of the UNC Panel questions.



**New Action 0309:** Distribution Networks to provide analysis to show how many times this Modification would likely be used.

**2.1.3. What costs have been incurred by consumers as a result of the issue set out in the problem statement - costs of constraint and unnecessary reinforcement etc.**

Not discussed, deferred to next meeting.

**2.2. Initial Representations**

RHa confirmed that two initial representations have been received from Citizens Advice and the Major Energy Users' Council and are published here <https://www.gasgovernance.co.uk/0818>.

Workgroup considered the Initial Representation from Citizens Advice:

There is potential, in theory, that anyone in Class 1 could fall within this process now or in the future and the Proposer suggested all Class 1 sites should assess the Modification for their own circumstances.

When SM asked which sites this could apply to, TS clarified the Mod390 process would be the customer base and there is potential to further deduce which of those would be affected by this Modification.

Workgroup requested a list of the challenges made to Shippers as a result of the Mod390 process. TS confirmed she will provide that information after 01 October 2022 as a lot of shippers move sites prior to the new Gas Year.

**2.3. Terms of Reference**

As matters have been referred from Panel and with initial representations, a specific Terms of Reference has been published alongside the Modification at [www.gasgovernance.co.uk/0818](http://www.gasgovernance.co.uk/0818).

**3.0 Next Steps**

RHa confirmed that

- The Legal Text will likely be requested after the actions have been closed.
- Consideration of an amended Modification.

**4.0 Any Other Business**

None.

**5.0 Diary Planning**

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 27 October 2022	5pm 18 October 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 24 November 2022	5pm 15 November 2022	Microsoft Teams	Standard Agenda
Monday 10:00 12 December 2022	5pm 01 December 2022	Microsoft Teams	Standard Agenda

**Action Table (as at 22 September 2022)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>0109</b>	22/09/22	2.0	Proposer (TS) to liaise with NGN's internal processing team and consider an amendment to the Modification to include the Mod390 process.	Proposer (TS)	<b>Pending</b>
<b>0209</b>	22/09/22	2.0	Proposer (TS) to provide a response to each of the UNC Panel questions	Proposer (TS)	<b>Pending</b>
<b>0309</b>	22/09/22	2.0	Distribution Networks to provide analysis to show how many times this Modification would likely be used.	Distribution Networks	<b>Pending</b>

**UNC Workgroup 0819 Minutes  
Establishing/Amending a Gas Vacant Site Process  
10:30 Thursday 22 September 2022  
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Ben Mulcahy	(BM)	Northern Gas Networks
Claire Louise Roberts	(CLR)	ScottishPower
Conor Adams	(CA)	ScottishPower
David Mitchell	(DM)	SGN
David Reynolds	(DR)	Northern Gas Networks
Ellie Rogers	(ER)	Xoserve
Gurvinder Dosanjh	(GD)	Cadent
Joel Martin	(JM)	SGN
Kathryn Adeseye	(KA)	Xoserve
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	Total Energies Gas & Power
Michelle Brown	(MB)	Energy Assets
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	Northern Gas Networks

*The Workgroup Report is due to be presented at the UNC Modification Panel by 16 March 2023.*

*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 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/0819/220922>*

## 1.0 Outline of Modification

Lee Greenwood (LG) introduced the Modification supported by a presentation.

LG explained the purpose of this Modification is to establish a process for Vacant sites. The reason for change is mainly due to the lack of process to amend AQ values for Vacant sites and that an AQ for a site can only be amended by obtaining meter readings, but this is difficult if there is no access to the vacant site.

LG noted this Modification is a direct result of the discussions held within *Modification 0778R – Gas Vacant Sites Process review*, where many solution options were discussed.

LG provided a review of the Solution and Recommended Steps and confirmed the aim of the Modification is to establish a new process for Shippers to follow to:

- Cease Settlement Performance Obligations, Commodity Costs, and Daily Gas Allocation.
- After 12 months; the Shipper will have the option to set the AQ to 1 through the AQ correction process (new correction code / eligible cause to be created) for Capacity relief.

Rebecca Hailes (RHa) clarified there were no initial representations received and that UNC Panel have noted one question.

LG provided a summary of the solution section of the Modification.

When Steve Mulinganie (SM) asked why it was focussed on Class 4 and enquired whether it was because potentially the CDSP could move sites from Class 2 and 3 into Class 4, LG explained that it was Class 4 due to the implementation of *Modification 0664VVS* <https://www.gasgovernance.co.uk/0664> - *Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4*, which was approved on xx and will move sites with low meter readings from Class 2 and 3 into Class 4.

LG provided an outline of the Solution proposed in the Modification and criteria of “vacant sites” and the meaning of “maintain vacant sites”.

When RHa asked if SMETs 2 were included, LG confirmed that SMETs 2 with an active flag would be included.

SM stated that the Business Rules need to be reviewed (to check the logic for and/or requirements) before Legal Text is requested. RHa asked LG to review the Business Rules and provide an amended Modification detailing how the solution should look and provide clarification of the scenarios, potentially with a flow chart and worked examples if possible.

SM stated there would be a need to consider the use of the AQ protection process and the need to carve out that scenario.

ER noted that in regard to the AQ correction point, the Modification has already got the two phase approach to do the AQ correction; first to reduce to 1 after 12 months and secondly to remove the label of Vacant site.

ER explained that the AQ correction to reduce to 1 would utilise a new eligible cause which does not exist yet, this will be created as part of the Modification solution.

Workgroup then discussed the AQ vacant status remaining while the AQ status is set to 1.

SM raised an issue regarding the use of the process setting the AQ status to 1 noting that at the same time the Shipper could choose to remove the vacant status at any point. If there is no tracker and if the Shipper is proactively taking the vacant status off and the AQ correction is set to 1, the vacant site status could be abused.

SM suggested the Business Rules may need to be re-considered so that Shipper could not remove the vacant site at will. ER suggested LG to put into the Modification the phrase “the reinstating of an AQ”.

Workgroup continued discussion on the AQ correction process and cases of vacant sites status. RHa suggested LG should consider presenting the Solution in a flow chart and provide examples for various scenarios.

Louise Hellyer (LH) suggested that if the Shipper decided not to do anything, it would just revert to the original values because that would be more accurate than 1, whereas if they choose to pick the value they thought would be more effective, then either way the reads and the AQ calculation in history should be unusable because it would not be reflective of the consumption of the site after it was made vacant.

LG concluded that the monitoring process should focus on the new AQ Correction code and report to the Performance Assurance Committee (PAC). ER confirmed that with Modification 0674V now being approved and Performance Assurance Reporting being managed by PAC, a new report would be created and would not require Legal Text.

**Action 0901 (LG):** Consider whether the Business Rules for the Entry Criteria need “and” or “or”.

**Action 0902 (LG):** For Exit Criteria point 1. “At the request of the Shipper, sub point a. Vacant status not maintained”; ensure wording and meaning are clear.

**Action 0903 (LG):** For Exit Criteria point 4. “AQ Correction has been completed”; needs further clarification with regards to the reason code used.

**Action 0904 (LG):** Create flow charts with worked examples to illustrate the Exit Criteria.

## 2.0 Initial Discussion

### 2.1. Issues and Questions from Panel

2.1.1. What PAC monitoring should be in place for this Modification?

The Workgroup decided this would be discussed as the Workgroup progresses between now and January before this Modification back to Panel discussion.

### 2.2. Initial Representations

None received.

### 2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference has been published alongside the Modification at [www.gasgovernance.co.uk/0819](http://www.gasgovernance.co.uk/0819).

## 3.0 Next Steps

RHa noted the next steps as being:

- LG to present the Solution in a Flow Chart with examples.
- LG to consider amendments required to the Modification based on Workgroup discussions.

## 4.0 Any Other Business

None

## 5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 27 October 2022	5pm 18 September 2022	Microsoft Teams	Standard Agenda

**Action Table (as at 22 September 2022)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0901	22/09/22	1.0	Consider whether the Business Rules for the Entry Criteria need “and” or “or”.	LG	October 2022	Pending

**Action Table (as at 22 September 2022)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Reporting Month</b>	<b>Status Update</b>
<b>0902</b>	22/09/22	1.0	For Exit Criteria point 1. "At the request of the Shipper, sub point a. Vacant status not maintained"; ensure wording and meaning are clear.	LG	October 2022	<b>Pending</b>
<b>0903</b>	22/09/22	1.0	For Exit Criteria point 4. "AQ Correction has been completed"; needs further clarification with regards to the reason code used.	LG	October 2022	<b>Pending</b>
<b>0904</b>	22/09/22	1.0	Create flow charts with worked examples to illustrate the Exit Criteria.	LG	October 2022	<b>Pending</b>