

UNC Distribution Workgroup Minutes
Thursday 24 February 2022
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Claire Louise Roberts	(CLR)	Scottish Power
Dan Fittock	(DF)	Corona Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve (0781R/0782)
Gareth Evans	(GE)	Waters Wye Associates (0781R/0782)
George Macgregor	(GM)	Utilita
Guv Dosanjh	(GD)	Cadent
Hursley Moss	(HM)	Cornwall Insight
John Jones	(JJ)	ScottishPower
Kate Lancaster	(KL)	Xoserve
Louise Hellyer	(LH)	Totalenergies Gas & Power
Mark Field	(MF)	Sembcorp
Mark Jones	(MJ)	SSE
Rhys Kealley	(RK)	British Gas
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dist/240222>

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting.

1.1. Approval of Minutes (27 January 2022)

The minutes from the previous Distribution Workgroup were approved.

1.2. Approval of late papers

RHa advised there are two late papers for Workgroup to consider, both from Ofgem, the Industry Update and an update for action 0101. RHa suggested that Workgroup accept the late papers. Workgroup agreed as the update is very welcome.

1.3. Review Outstanding Actions

0101: Modification 0760 Authority Decision - Joint Office (RHa) to liaise with Ofgem (Max Lambert) in order to identify what the send back criteria is.

Update: On behalf of Max Lambert who passed on his apologies for the meeting, RHa provided the update for this outstanding action:

Send Back criteria:

Standard Licence condition A11 15(b)(ii) sets out the Send Back direction by the Authority for parties to:

“revise and re-submit a notice provided in accordance with paragraph 15(a) to reflect the additional steps (including drafting or amending existing drafting of the amendment to the uniform network code), revisions (including timetable revisions), analysis or additional information specified in the direction to enable the Authority to form such an opinion in accordance with paragraph 15(b)(i) as soon after the Authority’s direction as is appropriate (taking into account the complexity, importance and urgency of the modification)”.

Ofgem can only send back Modifications if, in their view, it fails to let Ofgem come to the conclusion that the particular Modification either better facilitates the achievement of the relevant objectives or it doesn’t. Ofgem felt that UNC760 did not meet this criteria.

Tracey Saunders (TS) advised she has discussed with Ofgem their decision to not utilise the Send Back route for *Modification 0760 - Introducing the concept of a derogation framework into Uniform Network Code (UNC)*, she agrees it was the right decision to not utilise the Send Back process. **Action Closed**

0201: Modification 0797 (Urgent) Authority Decision - Joint Office (RHa) to confirm what the timeline is for a judicial review.

Update: RHa advised she is expecting confirmation from Ofgem but understands the timeline for a judicial review is 3-months. **Action Carried Forward**

0301: Registration Timeline with REC - Xoserve (DA) to advise Workgroup what the arrangements will be in the event of late notification of secured active messages from CSS.

Update: David Addison (DA) clarified that the issue that led to this action is that Xoserve are escalating with Ofgem an issue relating to a requirement for 100% of Registrations by 18:00 hrs, Xoserve currently have a Non-Functional Requirement (NFR) for 90% by 17:35 hrs.

DA advised he has a further escalation meeting today (24 February 2022) with Ofgem where Xoserve will be requesting the CSS Design is provided, documented, and shared with Industry. DA gave the assurance that Xoserve are becoming more comfortable with the CSS Design as it is being described verbally. He agreed to provide a post meeting update for inclusion in the minutes:

Post meeting update:

DA has provided the following update:

Xoserve have requested that the CSS design is shared with the industry. We have done this as we need to understand the number of API channels that have been devoted to communicating with the Gas Retail Data Agent (GRDA the role that describes the CDSP performing UK Link transactions in REC). We have also requested information related to the CSS response times – i.e. how long it will take them to transmit the next message to GRDA once they have received the response from the GRDA. Once we have this information then we will be able to assess the likelihood of the risk that Secured Active Messages will not be available by the Gemini cut off time.

We believe that this information is important to ensure that all parties have the assurances that they will receive messages within the timescales necessary for their systems and processes.

Following the discussion at Distribution Workgroup and DSC Contract Management Committee we highlighted that this matter was being reported to the relevant Committees and they supported the need for this information to be shared.

At the meeting with Ofgem we reiterated the need that this information was provided and asked that this was further escalated with DCC.

DA noted that the level of detail that has not yet been shared by DCC is on their transmission rate which is need in milliseconds rather than seconds.

DA clarified that Xoserve will process the transactions up to 23:00 hrs which Xoserve are advising is the absolute deadline, Xoserve are now asking Ofgem to confirm their expectations post

23:00hrs. DA clarified that the Registration would be set as Live status the next day, but Xoserve will require an instruction to advise this is now the go-live date.

The wording of the action was reviewed and updated to make it easier to understand what it is referring to.

Action Carried Forward

1.4. Modifications with Ofgem

RHa advised Workgroup that Max Lambert, Ofgem, had sent his apologies for the meeting and provided an electronic update which has been published on the Workgroup meeting page here: www.gasgovernance.co.uk/dist/270122. Workgroup comments are captured where there were any.

The update provided the following information:

Statutory Consultation on licence changes for the Switching SCR: Standard conditions of Gas Shipper, Gas Transporter and Electricity Distribution licences

This statutory consultation sets out the proposed changes to certain licence conditions, including standard licence conditions (SLCs), to properly reflect the changes being brought about by the Switching Significant Code Review in the licences. This will ensure, for example, that the licences have introduced the necessary code requirements to enable faster, more reliable switching (the Switching Programme).

This is a statutory consultation in accordance with the Gas Act 1986 and Electricity Act 1989, concerning our proposals to modify the following licences:

- Standard conditions of Electricity Distribution Licence
- Standard conditions of Gas Shipper Licence
- Standard Special Conditions (SSCs) applicable to both National Transmission System and Distribution Network Licensees – Part A

The subsidiary documents set out the proposed changes against the up-to-date version of the consolidated licence conditions available on our website at the time of publishing, the definitive sources for which (not including the changes proposed in this consultation) are available on the Electronic Public Register.

Ofgem would like views from holders of these licences. Ofgem would also welcome responses from any other interested stakeholders and the public. Please send responses to Nicola Garland at switching.programme@ofgem.gov.uk by 21 March 2022.

<https://www.ofgem.gov.uk/publications/statutory-consultation-licence-changes-switching-scr-standard-conditions-gas-shipper-gas-transporter-and-electricity-distribution-licences>

No Workgroup comments

4 February 2022 Price Cap Decisions

On 4 February 2022, Ofgem published a range of decision documents relating to the default tariff cap (the 'cap') methodology. Following consultations with industry stakeholders, Ofgem have made routine methodology decisions to ensure that the cap better reflects the costs of supplying energy, as well as decisions in response to the recent wholesale market volatility and to allow the cap to respond flexibly to exceptional or unprecedented market changes in the future.

The link below summarises the package of decisions Ofgem have made, in addition to guidance for suppliers on treatment of reasonable risk management practices in future default cap proposals.

<https://www.ofgem.gov.uk/publications/overview-4-february-2022-price-cap-decisions>

DA referred to the Market Stabilisation Charge and advised Xoserve have been asked to provide a monthly report to identify the Supplier A and Supplier B scenario and the AQ that has moved.

The following link was provided during the meeting:

<https://www.ofgem.gov.uk/publications/decision-short-term-interventions-address-risks-consumers-market-volatility>

RIIO2 Re-opener Guidance and Application Requirements Version 2

This document sets out the regulation, governance and administration of the RIIO-2 Re-openers and will take effect from 3 February 2022 and replaces the previous document published on 26 February 2021.

Ofgem have consulted on the modifications to the previous Re-opener Guidance and Application Requirements document. The comments received to this consultation are reflected in the updated Re-opener Guidance and Application Requirements Version 2. The new version should be read in conjunction with Special Condition 9.4 (Re-opener Guidance and Application Requirements Document) of the Gas Transporter and Electricity Transmission licences. This document and its content are in line with our RIIO2 Final Determinations.

<https://www.ofgem.gov.uk/publications/riio2-re-opener-guidance-and-application-requirements-version-2>

No Workgroup comments.

Decision on the proposed modifications to the RIIO-2 Transmission, Gas Distribution and Electricity System Operator licence conditions – 1 April 2022

On 15 December 2021, Ofgem published a statutory consultation on proposed changes to the licence conditions that implement the CMA's Order on RIIO-2 Appeals for the transmission companies, gas distribution networks and the electricity system operator. The statutory consultation also included a number of proposed snagging and additional changes.

9 responses to the statutory consultation were received. Following careful consideration of these responses, Ofgem have decided to implement the licence modifications as set out in the notices that have been published. The licence modifications will come into effect on 1 April 2022.

<https://www.ofgem.gov.uk/publications/decision-proposed-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licence-conditions-1-april-2022>

No Workgroup comments

Net Zero Pre-construction and Small Net Zero Projects Re-opener

This document sets out the detailed arrangements for this re-opener, including scope and minimum funding threshold.

Ofgem have consulted on the Net Zero Pre-construction and small Net Zero Projects Re-opener Governance Document as part of our statutory consultation on modifications to the RIIO2 licence conditions and associated documents. This should be read in conjunction with Special Condition 3.9 of the Gas Transporter Licence.

Ofgem have received views on their draft of the Net Zero and Re-opener Development Fund Governance Document and have taken into consideration those comments within the final publication on 3 February 2022.

<https://www.ofgem.gov.uk/publications/net-zero-pre-construction-and-small-net-zero-projects-re-opener>

No Workgroup comments

Northern Gas Network's Funding Direction for City CNG Project

This funding direction, published 1 February 2022, sets out the amount NGN must return after closure of their City CNG Project.

<https://www.ofgem.gov.uk/publications/northern-gas-networks-funding-direction-city-cng-project>

No Workgroup comments

Republication of RIIO-GD2 and RIIO-ESO Price Control Financial Model following the Annual Iteration Process 2021

On 30 November 2021, Ofgem published the results of the Annual Iteration Process (AIP), for the Electricity System Operator (ESO) and Gas Distribution (GD) licensees under the RIIO-2 network price controls. The AIP updates allowed revenues, which licensees must use when setting their charges for the next regulatory year (2022/23). The Authority may republish the value of Allowed Revenue (ARt) and Adjusted Revenue (ADJRt) after 30 November and before 30 January prior to each regulatory year in accordance with licence.

This republication process is set out in further detail in Chapter 2 of the Price Control Financial Handbook and enables licensees to reflect the impact of any unforeseen events on their allowed revenue in time for them to set tariffs, where these events have or are estimated to have a material impact on their allowed revenues. Since the publication of the AIP in November 2021, there have been material changes to the following values in the GD2 PCFM:

- Shrinkage – shrinkage reflects the cost of gas lost from the gas distribution network. As such, the unprecedented increase in gas prices has led to updated shrinkage cost forecasts
- Bad debt – bad debt cost forecasts have been updated to reflect the increased volatility in the market
- Supplier of Last Resort (SoLR) forecast – SoLR cost estimates have been updated in line with guidance from the Authority.

The Authority gave the GD and ESO licensees notice of the value of ADJRt, ARt and SOIARt on 14 January 2022. The reason for and effect of this re-publication is to revise the PCFM Variable Values to re-calculate the values for the Allowed Revenue and Adjusted Revenue terms for the GD and ESO licensees.

The re-published values for ADJRt, ARt and SOIARt following the November 2021 AIP are shown within the GD2 and ESO Price Control Financial Models published on this page.

<https://www.ofgem.gov.uk/publications/republication-riio-gd2-and-riio-eso-price-control-financial-model-following-annual-iteration-process-2021>

No Workgroup comments

Decision on modifications regarding Last Resort Supply Payment Claim deadlines for gas transporter licence conditions

On 23 December 2021, Ofgem consulted on proposed modifications regarding Last Resort Supply Payment Claims for the gas transporter licence. This decision below, published 28 January 2022, is our direction to modify the Gas Transporter licence to amend the deadline for submitting Last Resort Supply Payment Claims.

<https://www.ofgem.gov.uk/publications/decision-modifications-regarding-last-resort-supply-payment-claim-deadlines-gas-transportation-licence-conditions>

No Workgroup comments

UNC765: New retrospective debit and credit charges to reflect changes to the treatment of Entry Capacity Revenue between October and December 2020 – Authority Decision

The purpose of this Modification is to create new debit and credit charges to recover and redistribute the revenues received from daily interruptible and within-day obligated Entry Capacity from Capacity Neutrality arrangements between 1 October 2020 and 31 December 2020.

On 28 January 2022, Ofgem decided to reject this Modification to the UNC.

<https://www.ofgem.gov.uk/publications/unc765-new-retrospective-debit-and-credit-charges-reflect-changes-treatment-entry-capacity-revenue-between-october-and-december-2020>

No Workgroup comments

UPDATE: Code Modification/Modification proposals with Ofgem for decision – Expected publication dates timetable

<https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>

No Workgroup comments

1.5. Pre-Modification discussions

Steve Mulinganie (SM) advised, as a result of discussions at the Performance Assurance Committee and at the I&C Shippers and Suppliers Group (ICoSS) meetings, he is looking at raising a Modification that will look at improving the arrangements in the Shipper Agreed Reads (SARS) process.

SM advised the Modification is currently being planned to be put forward for consideration to the March 2022 UNC Modification Panel for a 6-month lead time and will be recommending the Authority Direction governance route.

Claire Louise Roberts (CLR) noted her interest in the Modification and will reach out to SM separately.

SM provided the following outline of the Modification and noted that it is a draft and will receive a critical friend review once submitted to Joint Office.

Current process:

At the moment, Xoserve doesn't intervene when an estimated transfer read needs to be amended in line with an agreed SAR.

An incoming supplier should attempt to replace the estimated transfer read with the agreed SAR. If this fails to be accepted or to be unable to replace it due to incorrect history reads, then both parties should raise an RFA within 4 days of each other.

However, some suppliers do not submit replacement reads nor raise RFAs, leading to imbalances for the other suppliers.

Also, it may cause future reads issues for the incoming suppliers if the transfer read is not corrected.

Proposed process:

As a proposed process, both suppliers should attempt to amend the transfer read in line with the SAR within 2 months after it was agreed.

If no attempts have been made (replacement reads actioned, dummy MEX or RFAs) within this time frame, Xoserve can be contacted for support to reconcile both sides in line with the new agreed transfer read.

When Xoserve needs to be contacted for support, the supplier should provide them evidence of the new agreed read, e.g. email trail, SAR form, snapshots from 'ECOES' with the agreed read. Xoserve will then notify the other supplier of the pending query and will give them a month* to respond. If no responses are being received, then Xoserve should action the other supplier's request.

Scenario

If the incoming supplier has made no attempts to replace the estimated transfer read, Xoserve will action this on their behalf;

If the incoming supplier has no reads accepted after the transfer date due to historic reads, Xoserve will amend the transfer read once the previous supplier has submitted their RFA;

If the incoming supplier has reads accepted after the transfer read, but unable to replace it Xoserve will reconcile both parties if the other supplier has raised a query.

A notification should be sent to both parties making them aware of the revised volume.

No further Workgroup comments.

2. CSS Consequential Changes – Detailed Design Report

DA provided an update on the Switching Significant Code Review (SCR) as follows:

DA advised in February 2022 that the UNC Modification Panel agreed to issue the SCR Modification ([0804 - Consequential UNC changes for Switching SCR \(REC 3.0\)](#)) to Consultation for 28 days commencing on 04 March 2022. The reason the Consultation did not start immediately is due to the identification of a small number of issues affecting the documents, some of which will result in a number of limited changes to the SCR Legal Text.

Identified Issues – Slide 3of5

DA provided an overview of the issues that have been identified, which will ultimately result in changes being made to TPD Section B and G and a few other sections of the SCR and includes the following topic areas:

- Reinstate sections in G6 for LDZ Supply Points.
- Review instances that CSS Transactions (e.g. Detail Registration Nom) and Non-CSS Transactions apply.
- CSS to Non-CSS Switching did not consider Supplier Exempt Sites – proposed to amend and move to a more generic section.
- The Legal Text amendments resulting from [Modification 0728B \(Urgent\) - Introduction of Conditional Discount for Avoiding Inefficient Bypass of the NTS with 28km distance cap](#) require a further review, specifically that the charge is correctly described for NTS Sites and that the LDZ Site 'Shorthaul' charge is correctly referenced.
- Following acceptance of CR-D118 and greater understanding of the SoLR process under REC existing elements of UNC reinstated for Terminated Users and SoLR (G4).

CSS to Non-CSS Process - Slide 4of5

DA explained that the existing Legal Text drafting describes the movement of Supply Meter Points from CSS to Non-CSS, but only in relation to Shared Supply Meter Points, this needs to be extended to Supplier Exempt Sites.

DA noted that the SCR Legal Text indicates that the arrangements would be further defined in the Shared Supply Point Guide and Procedures (<https://www.gasgovernance.co.uk/tpddocs>). This document will be used to expand the process based on the above obligations.

Further Detailed Review - Slide 5of5

DA explained, because of the number of changes identified, a further detailed review has been completed which has identified some further matters that he is proposing are amended in the SCR:

- *'Winter Period Requirement' was introduced as part of 0445 (although the SCR actually created the defined term), but the concept of Winter Period was incorrectly described in the Mod 0445 itself, propose to amend the new 'Current Year Minimum Capacity' in line with Annex G-1 and the UKL formats (Annex B-3 and G)*

SM noted that the label of Winter Period is changing to Current Year Min Cap and pointed out that this could represent any time in the Year, and it implies a much broader period of time.

DA clarified that the Legal Text amendment from [Modification 0445 - Amendment to the arrangements for Daily Metered Supply Point Capacity](#) the Winter Period starts on 01 October, but actually it starts on 01 November as defined elsewhere in Code.

RHa sought clarification that minimum capacity consumed is the minimum capacity that you can have as your registered Daily Metered Supply Point Capacity. DA said that from 01 October you could reduce Daily Metered Supply Point Capacity, and then profile it by increasing it back up.

- *Clarification of Consumption provision in the SP Enquiry – align to existing process that we will provide Consumption for up to 12 months, but also ensure that this is clear that:*
 - *For Non-CSS Sites, where we may receive a Change of Tenancy (CoT), we will curtail consumption if there is a CoT*

- For **CSS Sites**, where we do not receive the CoT, we will curtail back to previous Registration event

An error was noted in the presentation material where the 2nd bullet point should read CSS Sites and not Non-CSS Sites, DA will update the error.

- As agreed in February 2021 DWG – Point of Sale (PoS) and Must Reads will not be accepted on Supply Point Effective Date
- Reinstated text regarding use of Supply Meter Point Demand if a subsequent Reading is available

When RHa highlighted that the Legal Text will reflect all of these changes, but the detail will not be in the Modification, DA advised he could provide a Supplementary Document to support the changes, but they are all related to the SCR. Mark Field (MF) supported this by adding any further point of clarification would be useful. SM also supported a standalone document which will be far easier to find in the future if needed rather than explanation being in the minutes.

When asked, DA clarified everything being discussed is as a result of the Central Switching Service (CSS) being implemented where the Faster Switching SCR is looking to decrease Registration lead times to encourage Consumers to switch Suppliers. He added that primarily these changes are more to do with the retail side of the market.

RHa suggested, as these changes relate to Modification 0804 an update to the Legal Text Explanatory Table for the changes highlighted might be the most appropriate place to document the extra changes.

RHa asked DA to advise why he is not considering a Fast-Track Self-Governance (FTSG) Modification to make these changes; DA advised if these changes are implemented straightaway, via a FTSG Modification, it would impact the SCR.

For further detail please refer to the published slide pack here:
<https://www.gasgovernance.co.uk/dist/240222>.

This concluded the SCR update from DA.

3. Workgroups

3.1. 0763R - Review of Gas Meter By-Pass Arrangements

(Due to report to Panel 21 July 2022)

<https://www.gasgovernance.co.uk/0763>

3.2. 0781R - Review of the Unidentified Gas Process

(Due to report to Panel 21 July 2022)

<https://www.gasgovernance.co.uk/0781>

3.3. 0782 – Creation of Independent AUGE Assurer (IAA) role Deferred to January 2021

(Due to report to Panel 19 May 2022)

<https://www.gasgovernance.co.uk/0782>

4. Issues

None raised.

5. Any Other Business

5.1. Green Gas Levy

SM requested an update from the discussions held at the 27 January 2022 Distribution Workgroup relating to the requirement on Suppliers to provide the data to Ofgem and that CDSP had offered the service to Ofgem.

ER confirmed that a communication has been issued by the CDSP to Suppliers and Shipper Contract Managers which confirms who they need to contact if they want to take up a service to request aggregate MPRN data required under the Green Gas Levy scheme.

6. Diary Planning

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

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 24 March 2022	5pm 15 March 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 28 April 2022	5pm 19 April 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 26 May 2022	5pm 17 May 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 23 June 2022	5pm 14 June 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 28 July 2022	5pm 19 July 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 25 August 2022	5pm 16 August 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 22 September 2022	5pm 13 September 2022	Microsoft Teams	Standard Agenda
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 24 February 2022)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0101	27/01/22	1.4	<i>Modification 0760 Authority Decision</i> - Joint Office (RH _a) to liaise with Ofgem (Max Lambert) in order to identify what the send back criteria is.	February 2022	Joint Office (RH _a)	Closed
0201	27/01/22	1.4	<i>Modification 0797 (Urgent) Authority Decision</i> - Joint Office (RH _a) to confirm what the timeline is for a judicial review	February 2022	Joint Office (RH _a)	Carried Forward
0301	27/01/22	2.0	<i>Registration Timeline with REC</i> - Xoserve (DA) to advise Workgroup what the transition arrangement will be.	February 2022	Xoserve (DA)	Carried Forward

**UNC Workgroup 0763R Minutes
Review of Gas Meter By-Pass Arrangements
Thursday 24 February 2022
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
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Dan Fittock	(DF)	Corona Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
George Macgregor	(GM)	Uilita
Guv Dosanjh	(GD)	Cadent
Hursley Moss	(HM)	Cornwall Insight
John Jones	(JJ)	ScottishPower
Kate Lancaster	(KL)	Xoserve
Louise Hellyer	(LH)	Totalenergies Gas & Power
Mark Field	(MF)	Sembcorp
Mark Jones	(MJ)	SSE
Rhys Kealley	(RK)	British Gas
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0763/240222>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 April 2022

1.0 Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting.

1.1. Approval of Minutes (27 January 2022)

The minutes from the previous Workgroup were approved.

1.2. Approval of Late Papers

There were no late papers to consider.

1.3. Review of Outstanding Actions

Action 0111: Proposer (CLR) to work on producing straw man of the Guidance Note.

Update: This action is covered in agenda item 2.1. **Closed**

Action 0101: *Consumption Adjustments* - Correlá (MA) to confirm what happens if a Shipper does not respond to a Data Clarification.

Update: Martin Attwood passed on his apologies for the meeting but did email an update for this action to Joint Office.

Below is a link to awareness material (available from Xoserve website) which addresses Action 0101 (“Consumption Adjustments - Correla (MA) to confirm what happens if a Shipper does not respond to a Data Clarification”)

[Request for Adjustment \(RFA\) - The process | Rise 360 \(articulate.com\)](#)

In summary, RFA’s (Consumption Adjustments) are auto-closed if a Shipper fails to respond to a Data Clarification request within 20 Business Days. **Closed**

2.0 Consideration of Request

2.1. Review Further Analysis

Claire Louise Roberts (CLR) introduced a flow diagram that sets out the process of installing, opening and closing a Meter By-Pass.

- When a Customer requests a By-Pass to be installed, the request goes to the Supplier and the MAM, the MAM submits the request to the Transporter seeking approval. If there is no approval that marks the end of the request and no bypass is installed.
- If a By-Pass installation is approved, the approved MAM is given the authority to carry out the works to install it.
- When the By-Pass is installed, a notification is sent to the Supplier via an ONJOB file (meter information notification). The CDSP registers the installation of a bypass on central systems.

Steve Mulinganie (SM) suggested the diagram needs to capture if a Consumer owns the equipment, or are requests for a Meter By-Pass always via the Supplier? In contrast, when it comes to the removal of the By-Pass, it refers to the Supplier or the Gas Act Consumer.

New Action 0102: *Consumer Owns Equipment* - Proposer (CLR) to check what happens with the installation of a Meter By-Pass when a Consumer owns the equipment.

CLR advised she will be referencing in the diagram which parts of the Guidance Document each part of the process refers to.

New Action 0202: Proposer (CLR) to clarify who is responsible for opening a Meter By-Pass.

It was mentioned that there are two situations when a site visit may occur:

1. Planned maintenance
2. When something has gone wrong

The Meter Asset Manager (MAM) installs the By-Pass, if the MAM finds the By-Pass is open and it should not be, the MAM should inform and close the By-Pass. SM noted that the MAM is the responsible party, as the MAM they should close the By-Pass and notify relevant parties.

If the MAM finds By-Pass is open and the MAM did not open it, then this scenario would be labelled as Theft of Gas.

Workgroup discussed the following questions that need to be thought about for the final process flow:

- How many people have the authority to undertake this action other than the MAM?
- LH asked, if there is a responsible person onsite should they notify the MAM that they have had to take that action?
- Gas Transporters – what criteria is required to approve the By-Pass?
- What needs to happen to the By-Pass where Gas Transporters are not notified of the installation?

- Who has the responsibility to know whether it should be open or closed and who has the information to determine if it should be open or closed?

New Action 0302: Proposer (CLR) to consider the questions raised:

- How many people have the authority to undertake this action other than the MAM?
- If there is a responsible person on Site, should they notify the MAM that they have had to take that action?
- Gas Transporters – what criteria is required to approve the By-Pass?
- What needs to happen to the By-Pass where Gas Transporters are not notified of the installation?
- Who has the responsibility to know whether it should be open or closed and who has the information to determine if it should be open or closed?

CLR confirmed there is more to put into the document, such as whether or not there is a reason for the By-Pass to be open. Workgroup agreed it is worth understanding all of the scenarios that could take place and all of the parties that can be involved and agreed that when a By-Pass is found open and it shouldn't be, and there is no justification for the By-Pass to be open, there needs to be an understanding of what actions need to be taken.

GE clarified that a Site has to have a MAM in order for Site Works to be carried out; a Site does not always have a Supplier as the owner can own the equipment. The contract is with the Customer as opposed to the Supplier if the Customer owns the equipment.

CLR clarified she has a further meeting with Eric Fowler (AMO) next week to further progress the diagram. When asked, CLR confirmed it is intended that the process flow diagram will be in support of the Guidance document and published as a UNC Related Document.

Workgroup agreed that an extension for one or two months should be sought.

New Action 0402: Joint Office (RHa) to request a two-month extension (to June 2022) at the March 2022 UNC Modification Panel.

2.2. Review Data Cleansing Requirements

Not discussed.

2.4. Review of potential UNC Changes

Not discussed.

3.0 Next Steps

- CLR to provide an updated Guidance Document and end-to-end flow chart
- RH will start the Workgroup Report at the March 2022 meeting.
- RH will request an extension to June 2022 UNC Modification Panel

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
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Thursday 10:00 24 March 2022	5pm 15 March 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 28 April 2022	5pm 19 April 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 26 May 2022	5pm 17 May 2022	Microsoft Teams	Standard Agenda

Action Table (as of 24 February 2022)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0111	25/11/21	2.1	Proposer (CLR) to work on producing straw man of the Guidance Note	December 2021	Proposer (CLR)	Closed
0101	27/01/22	2.1	<i>Consumption Adjustments</i> - Correla (MA) to confirm what happens if a Shipper does not respond to a Data Clarification	February 2021	Correla (MA)	Closed
0102	24/02/22	2.1	<i>Consumer Owns Equipment</i> - Proposer (CLR) to check what happens with the installation of a Meter By-Pass when a Consumer owns the equipment	March 2022		Pending
0202	24/02/22	2.1	Proposer (CLR) to clarify who is responsible for opening a Meter By-Pass.	March 2022		Pending
0302	24/02/22	2.1	Proposer (CLR) to consider the questions raised: <ul style="list-style-type: none"> • How many people have the authority to undertake this action other than the MAM? • If there is a responsible person on Site, should they notify the MAM that they have had to take that action? • Gas Transporters – what criteria is required to approve the By-Pass? • What needs to happen to the By-Pass where Gas Transporters are not notified of the installation? • Who has the responsibility to know whether it should be open or closed and who has the information to determine if it should be open or closed? 	March 2022	Proposer (CLR)	Pending
0402	24/02/22	2.1	Joint Office (RHa) to request a two-month extension (to June 2022) at the March 2022 UNC Modification Panel.	March 2022	Joint Office (RHa)	Pending

**UNC Workgroup 0781R Minutes
Review of the Unidentified Gas process
Thursday 24 February 2022
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Claire Louise Roberts	(CLR)	Scottish Power
Dan Fittock	(DF)	Corona Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Guv Dosanjh	(GD)	Cadent
Hursley Moss	(HM)	Cornwall Insight
John Jones	(JJ)	ScottishPower
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyer	(LH)	Totalenergies Gas & Power
Mark Perry	(MP)	Correla on behalf of Xoserve
Oorlagh Chapman	(OC)	Centrica
Rhys Kealley	(RK)	British Gas
Robert Johnstone	(RJ)	Utilita
Steve Mulinganie	(SM)	Gazprom Energy
Tom Stuart	(TS)	Wales & West Utilities

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0781/240222>
The Workgroup Report is due to be presented at the UNC Modification Panel by 21 July 2022.

1.0 Introduction and Status Review

1.1. Approval of Minutes (27 January 2022)

The minutes from 27 January 2022 were approved.

1.2. Approval of Late Papers

RHa confirmed there were no late papers for Workgroup to consider.

1.3. Review of Outstanding Actions

No outstanding actions to consider.

2.0 Initial Analysis

2.1. Option Definition Table

RH referred to the update Options Definition Table and published here: <https://www.gasgovernance.co.uk/0781/240222>, Gareth Evans was then invited to explain the rationale for his update.

Options:

1	Uniform Allocation model based on volume
2	Static Model
3	Static Model (with regular audit)
4	Utilise existing industry datasets
5	Utilise existing industry datasets (AUGE top-up)
6	Balancer of last resort
7	Smoother transition of scaling factor changes
8	UIG Framework responsibility of sub-committee
9	Lengthen the duration of the AUGE term
10	Apply some method of smoothing/mitigation when transitioning from one AUGE regime to the next.
Additional	Improve allocation process (several)
Additional	Increase NDM sample size
Additional	use shrinkage (not in ToR)

Criteria:

- Polluter Pays (dynamic)
- Feasibility
- Drives Improvement
- Year on Year stability
- Easy to explain
- Robust
- Not likely to be continually challenged

GE explained that **Options 4 and 5** would utilise existing industry data sets, and in his opinion, produced the highest score in terms of criteria, these would be relatively stable; easy to explain and would not be likely to be continually challenged.

GE said that **Options 7-10** would take the existing AUGE Framework and tweak it as opposed to change it.

Fiona Cottam (FC) highlighted to Workgroup some areas where the AUGE has identified where improvements can be made:

Isolated Site

This year an Isolated Site was identified where the Shipper had real problems getting reconnected; they are now reconnected and are now submitting readings. FC reminded Workgroup that a Shipper should reconnect when they know the Site is consuming gas.

Modifications

There have been a lot of Modifications that have been raised that have come out of AUGE discussions. For example, in order to ratify the loop hole around reporting of theft, such as, [Modification 0410 0410A - Responsibility for gas off-taken at Unregistered Sites following New Network Connections](#) and [Modification 0425V - Re-establishment of Supply Meter Points – Shipperless sites](#).

Rejected Reads

There was a rule that was not being complied with which resulted in a lot of rejected reads, once the rule was highlighted Users the rejection rate improved, it has now come down by 50%.

Louise Hellyer (LH) commented that the nature of how the elements of UIG work, does drive improvement on some elements rather than all of them.

Referring back to the options, GE noted that **Option 9: Lengthen the duration of the AUGE term**, is in the gift of the CDSP to extend the AUGE contract duration.

GE suggested that **Option 5: Utilise existing industry datasets** and **Option 6: Utilise existing industry datasets (AUGE top-up)**, are probably the Options that Workgroup should start to look at.

LH highlighted that she feels stability is really important, adding that stability is the ability to have longer term views which can make very big differences. GE said that a high scoring stability option would be **Option 1. Uniform allocation model based on volume** and/or **Option 2. Static Model**. LH reiterated, if Workgroup are trying to address the challenges that are received, stability is important.

George MacGregor (GM) commented that how well are we able to look at theft and identify theft should be the main focus and it depends on how good various sectors of the industry are at detecting theft. He added that the industry should be doing as much as they can to have as accurate data as possible which will enable the detection of theft, such as accurate reads and submission on time.

GE commented that if everyone that has a SMART meter were moved to daily metering, then there would be daily consumption reads for every Site. GM said that market wide settlement could be the real step change in this process, and that it is a really complex puzzle.

Rhys Kealley (RK) noted, in terms of non-daily metered, even if more reads are submitted, only one read per week is going into Xoserve systems and asked if some analysis can be done to get a more accurate view of what UIG is. FC advised that reads could come in up to 10 days later than the actual date they were taken, the Demand Estimation Team are looking to see if they can use some Profile Class 3 data for their algorithm performance and then use it for the following year models. FC added that the same Profile Class is used for Class 3 Sites as for Class 4 Sites.

RK suggested that, for universal daily settlement, CDSP could look month or two back to see if that data contributed to UIG. FC highlighted that would be a huge piece of work and that CDSP would have to specify it sufficiently as a separate service.

FC noted the introduction of mandatory monthly readings in [Modification 0692S - Automatic updates to Meter Read Frequency](#) and that the algorithm performance shows the allocations are quite accurate.

In conclusion it was agreed that Dan Fittock (DF) and Gareth Evans would re-evaluate the Options Definition Table using a 1-5 methodology rather than High/Medium/Low to allow a clearer picture to emerge of which options are the right ones to pursue and which will hopefully give the most improvement over the current system.

New Action 0102: Proposer (DF) and GE to re-evaluate the Options Definition Table using a 1-5 methodology.

Whilst considering if a Modification might be raised as an outcome of this Review Workgroup, RHa advised Workgroup that if Modification development is completed within a Review Group it seems to have a higher chance of being accepted and progressed.

ER agreed with the weighting of the options with a scoring of 1-5 approach and asked if the weighting factors of the criteria (Polluter pays (dynamic); Feasibility; Drives improvement; Year on Year stability; Easy to explain; Robust and Not likely to be continually challenged) at the top as well, GE confirmed these will be looked at too.

Workgroup agreed that options that have a high scoring for *year-on-year stability*, *polluter pays* and *not likely to be continually challenged*, would be the top three to consider or be joint first in terms of weighting.

3.0 Next Steps

The Proposer and GE will re-evaluate the Option Definition Table.

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

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Thursday 10:00 23 June 2022	5pm 14 June 2022	Microsoft Teams	Standard Agenda

Action Table (as at 24 February 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0102	24/02/22		Proposer (DF) and GE to re-evaluate the Options Definition Table using a 1-5 methodology.	Proposer (DF) and GE	Pending

UNC Workgroup 0782 Minutes
Creation of Independent AUGÉ Assurer (IAA) role
Thursday 24 February 2022
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Claire Louise Roberts	(CLR)	Scottish Power
Dan Fittock	(DF)	Corona Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve (0781R/0782)
Gareth Evans	(GE)	Waters Wye Associates (0781R/0782)
George Macgregor	(GM)	Uilita
Guv Dosanjh	(GD)	Cadent
Hursley Moss	(HM)	Cornwall Insight
John Jones	(JJ)	ScottishPower
Kate Lancaster	(KL)	Xoserve
Louise Hellyer	(LH)	Totalenergies Gas & Power
Mark Field	(MF)	Sembcorp
Mark Jones	(MJ)	SSE
Rhys Kealley	(RK)	British Gas
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0782/240222>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 May 2022.

1.0 Introduction and Status Review

Gareth Evans (GE) provided the following update:

Discussions are ongoing with Xoserve and considering the update provided to [AUG on 18 February 2022](#) GE is reluctant to change the status of this Modification. GE provided prior notice to Workgroup that he intends to resume work on the solution and progress the Modification.

1.1. Approval of Minutes

As Workgroup has not been convened properly since November 2021, this agenda item was not covered.

1.2. Approval of Late Papers

No late papers.

1.3. Review of Outstanding Actions

None to discuss

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Consider alignment of other work being carried out in respect of AUGE process

2.2. Initial Representations

2.3. Terms of Reference

3.0 Amended Modification

The Modification has not been amended.

4.0 Development of Workgroup Report

This was not discussed at this meeting.

5.0 Next Steps

RHa confirmed that Workgroup discussions will resume at the 24 March 2022 meeting.

6.0 Any Other Business

None.

7.0 Diary Planning

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Action Table (as at 24 February 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No outstanding actions					