

UNC Distribution Workgroup Minutes
Thursday 27 April 2023
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Anna Stankiewicz	(ASt)	National Gas Transmission
Ben Mulcahy	(BM)	Joint Office
Charlotte Gilbert	(CG)	BU-UK
Clare Manning	(CM)	E.ON
Dan Wilkinson	(DW)	EDF Energy
David Addison	(DA)	CDSP
David Mitchell	(DMi)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Guv Dosanjh	(GD)	Cadent
Harry Hailwood	(HH)	Brook Green Supply
Hursley Moss	(HM)	Cornwall Insight
Jennifer Randall	(JRa)	National Gas Transmission
Jenny Rawlinson	(JR)	BU-UK
John R Harris	(JRH)	CDSP
Kathryn Adeseye	(KA)	CDSP
Kevin Clark	(KC)	Utilita
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Megan Bray	(MBr)	National Gas Transmission
Nick King	(NK)	CNG Services
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Gas Transmission
Tom Stuart	(TSt)	Wales & West Utilities
Apologies		
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/dist/270423

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/270423

1. Introduction and Status Review

Rebecca Hailes (RH) welcomed everyone to the meeting and gave a brief overview of the scheduled items for discussion and specifically noted the following:

- Agenda item 2 – CSS REC Consequential Changes Update will be considered prior to Workgroup 0836S - *Resolution of Missing Messages following Central Switching Service implementation and integration with REC Change R0067.*

- Agenda item 3 – Review of proposed changes to the AUGE Framework document will be considered prior to Workgroup 0843 - *Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert.*

1.1. Approval of Minutes (23 March 2023)

The minutes from the previous Distribution Workgroup were approved.

1.2. Approval of late papers

RH advised Workgroup that the material for the pre-Modification discussion was submitted late. Workgroup agreed to accept the late paper.

1.3. Review Outstanding Actions

Action 0102: *NTS Exit Metering Issue* - John Baldwin (JB) to liaise with National Grid offline and come back to Distribution Workgroup with an update:

- What is the impact
- What is the solution
- Is it material?

Update: RH asked National Gas to contact John Baldwin and possibly Steve Brown of Ofgem in order to take this action forward.

Issue Update:

The following explanation has been provided which gives more clarity on the issue being addressed:

John Baldwin has asked Ofgem for an update regarding his letter sent in February 2023 and explains this is a very big issue in certain parts of the GB grid, where there are lots of biomethane and lower NTS exit flows in summer.

There is one biomethane producer that cannot go ahead at all due to this issue. The GDN says the flow through the NTS Exit Meter is already below tolerance for 40% of the year and having the biomethane makes it below 50% so they cannot allow any flow at all for 50% of the year.

This means the project cannot go ahead.

John Baldwin advised that issues like this will increase as houses get better insulation and some heating moves to heat pumps.

It is a material issue now for certain projects but will be a huge issue by 2030 as demand falls and needs to be addressed now with a review of accuracy at the low-flow end. **Carried Forward**

1.4. Industry Update from Ofgem

The following update was provided to the estimated decision dates timetable published at <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>:

Ofgem update from the April 2023 UNC Modification Panel:

Modification	Estimated Decision Date
0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs	TBC
0761 - Arrangements for Interconnectors with additional Storage capability	28 April 2023

0813 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers	19 May 2023
0818 - Releasing of unused capacity under a specific set of circumstances	Rejected
0823 - Amendment to the Allocation of Entry Capacity and Flow Quantities to Qualifying CNCCD Routes	22 December 2023
0840 (Urgent) - Equalisation of prepayment and non-prepayment AUG factors	Accepted

Ofgem advised of some upcoming Workshops regarding the Energy Code Reform between May and July before commencing a consultation. Ofgem confirmed an update will be provided on the selection process for Code Managers in the coming weeks.

1.5. Pre-Modification discussions

1.5.1. Hydrogen Blending

Megan Bray (MB) introduced a pre-Modification Review presentation that will identify and develop the necessary commercial framework changes required to enable hydrogen blending into the distribution and transmission network.

Please see the presentation published here: www.gasgovernance.co.uk/dist/270423, for detailed information. The presentation includes the Indicative Timeline, Key Assumptions and Parameters and information on the Proposal and recommended next steps.

MBr explained that it is assumed that the Gas Safety (Management) Regulations will be updated following a Health and Safety Executive evidence review which will enable volumes of up to 20% hydrogen into the Networks; the required amendments will not impact Primary and Secondary Legislation, (Gas Act and Gas Calculation of Thermal Energy Regulations (GCoTER)) and it is expected that initial hydrogen blending percentage volumes will not exceed C.5%.

MBr concluded her presentation by advising that National Gas will recommend the Review be issued to a Review Group for a period of 6 months for development, with the objective to agree on the Commercial Framework changes required with the wider industry and raise suitable enabling Modifications.

Standalone Workgroups will be required as both Transmission and Distribution participants will need to attend.

Workgroup Discussion:

MBr confirmed it is intended that Hydrogen Blending will amend the existing framework and that National Gas Transmission will be raising one Modification for both Distribution and Transmission.

When David Morley (DMo) mentioned that the molecules are smaller than methane which means that leakage rates will be different, MBr confirmed that the Review Group will be considering leakage rates and Shrinkage.

A National Gas Test facility (Future Grid) and a similar project running with partners such as Cadent (HyDeploy) has been looking at how hydrogen runs through pipes and making an assessment of leakage rates.

It was mentioned that there may be other Workstreams that may be set up as part of this Review Group. The aim is to focus on the market arrangements.

A Workgroup Participant asked whether there would be consideration of Green hydrogen identification and traceability. Jennifer Randall (JR) confirmed that hydrogen blending is not necessarily aimed at traceability and certification. MBr confirmed that the origin of the hydrogen at this point is out of the scope of the Review. A Workgroup Participant observed that it would likely not be considered under the UNC anyway.

When Nick King (NK) asked if IGTs will be included, MBr confirmed that IGTs will be involved and invited to the Workgroups.

When Jenny Rawlinson (JR) asked if a mirror Modification will be raised to IGT-UNC, Guv Dosanjh (GD) explained, in the first instance, this is a Review Group, and any Modifications that are raised from the Review, will need to include any IGT Modifications.

The following link provides information on the National Gas Transmission Hydrogen Focus Area which provides more information on completed and future projects in this area: www.nationalgas.com/future-of-gas/hydrogen.

The following link has been provided to the Hydrogen Gas Market Plan (The role of Guarantees of Origin in driving a future UK hydrogen market) [download \(nationalgas.com\)](http://download.nationalgas.com).

It was clarified that a twin-track approach will be utilised, and it is likely to be blue hydrogen to begin with as green is not quite established in enough volume yet.

2. CSS REC Consequential Changes Update

David Addison (DA) provided an update on the missing messages and advised a total of 359 missing messages have been registered since the Central Switching Service (CSS) Go-Live (July 2022).

DA advised the latest Missing Message was on 31 March 2023 and noted that CSS deployed a patch fix on 30 March 2023 that they expected would resolve a further tranche of missing messages. The 5 instances that happened on 31 March 2023 were Supplierless Sites.

DA explained that previous instances of missing messages have been where a Switch is accepted by CSS and the 'losing' Supplier has deregistered after the Switch was accepted, but before the Switch effective date. This is not a scenario that CSS had accounted for previously, so CDSP has highlighted to the Data Communications Company (DCC) that we need a way of fast-tracking the resolution of these (i.e. notification to all parties of this so that the Incoming Supplier is made aware of the failed Registration and then can resubmit to limit the period of de-registration (and potential risk to unrecorded energy).

To date all of these have been resolved 'as missing Cancellation', which means that Settlement and Registration are actually aligned so there would be no need for adjustment under Modification 0836S.

DA advised that CDSP are working through the groups of missing messages with DCC and believe a large tranche (49) that were flagged as missing messages were 'failed to deliver' from 02 August but not included without metrics as the messages in question CDSP did receive the Secured Active Message, therefore the Registration was processed. CDSP is writing to all impacted Shippers to ensure that they are satisfied that the Registration has been successfully processed on UK Link and it is not envisaged there will be any further action required.

DA advised that CDSP have had a derogation approved by Retail Energy Code (REC) Performance Assurance Board (PAB) to amend the Registerable Measurement Point (RMP) Status without the necessary amendment to the factors that determine this status, such as Isolation Status; Meter Status and/or Supply Meter Point Status. This is to assist Suppliers (and Shippers) where portfolios have closed with isolated sites, but the Shipper did not withdraw prior to CSS Implementation, and the Supplier did not get set up as a CSS User. As the Supplier did not get set up as a CSS User, they cannot deactivate the site, and as the Supply Meter Point RMP Status is 'terminated' then an alternative Supplier cannot register the Supply Meter Point.

The derogation allows CDSP, on a temporary basis, to amend the RMP Status to allow another Supplier to register the site, then the expectation is it will then be deregistered and the CDSP will amend the status of the RMP back to terminated. Any Shippers who have Supply Meter Points in this position should contact David Addison at Xoserve (david.addison@xoserve.com)

3. Review of proposed changes to the AUGE framework document

DMo explained the changes that would be required to the Framework for the Appointment of an Allocation of Unidentified Gas Expert (AUGE) Document as a result of the implementation of

Modification 0843 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert. The change-marked document is published here:

www.gasgovernance.co.uk/dist/270423.

DMo explained he would be deleting the section that restricts AUGE from providing a clear view of UIG that is derived from any Shrinkage and Leakage model error.

The paragraph in question is within section 5. Generic Terms of Reference for Appoint AUG Expert, as follows:

5.1.2 The decision as to the most appropriate methodologies and data will rest solely with the AUG Expert taking account of any issues raised during the development and compilation of the AUG Statement and AUG Table.

~~For the avoidance of doubt although UIG includes any LDZ Shrinkage Error, the AUG Expert acknowledges that the process for determining LDZ Shrinkage is laid out in the relevant DNO licences. To avoid dual governance of any LDZ Shrinkage Error, the AUG Expert's role in respect of any LDZ Shrinkage Error is therefore limited to confirming that there are controls in place to ensure that DNOs discharge their licence obligation (that is that there is a methodology and that it is periodically reviewed for confirmation that the methodology remains relevant). The AUGE will present any comments or observations on the LDZ Shrinkage model through the annual consultation carried out by the DNOs.~~

When DMO clarified that the phrase he showed onscreen "*Shrinkage and Leakage Model error has been proven to be 35% in some areas*" is based mainly upon a study (<https://acp.copernicus.org/articles/22/3595/2022/acp-22-3595-2022-discussion.html>) by the Imperial College London carried out at a single point on a rooftop in central London and recorded the methane levels in the air, Tom Stuart (TSt) advised that the study concluded with the findings 'These results **suggest** that natural gas leaks in London are under-reported in both inventories', therefore there is only a suggestion that the methane recorded in the study is linked to natural gas leakage and is no way proven. TSt also noted that the study is also limited to one location and not the UK as a whole.

JR sought clarification on what the IGT relevance is, DMO advised that AUGE only looks at IGT shrinkage and the last report stated that 19GWh of leakage from IGT.

ER requested a copy of the edited Framework for the Appointment of an Allocation of Unidentified Gas Expert (AUGE) Document.

Post Meeting Note:

Joint Office has sent the document as requested. A copy is also published here: www.gasgovernance.co.uk/dist/270423v

4. Workgroups

4.1. 0816S – Update to AQ Correction Processes

(Report to Panel 18 May 2023)

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

4.2. 0819 – Establishing/Amending a Gas Vacant Site Process

(Report to Panel 18 May 2023)

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

4.3. 0836S - Resolution of Missing Messages following Central Switching Service implementation and integration with REC Change R0067

(Report to Panel 17 August 2023)

<https://www.gasgovernance.co.uk/0836>

4.4. 0842 - Gas Entry onto the Total system via an Independent Gas Transporter

(Report to Panel 17 August 2023)

<https://www.gasgovernance.co.uk/0842>

4.5. 0843 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert

(Report to Panel 20 July 2023)

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

5. Distribution Workgroup Change Horizon

Unfortunately, time did not allow for this agenda item to be discussed during Workgroup, please see the update kindly provided by CDSP and forward any questions you may have to Joint Office at enquiries@gasgovernance.co.uk.

The UNC Regulatory Change Roadmap is published here: www.gasgovernance.co.uk/dist/270423

6. Issues

None raised.

7. Any Other Business

None raised.

8. Diary Planning

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

Time / Date	Paper Publication Deadline	Venue	Programme
Wednesday 10:00 03 May 2023	5 pm 24 April 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup (0812R; 0825; 0831/A)
Thursday 10:00 25 May 2023	5 pm 16 May 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 22 June 2023	5 pm 13 June 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 27 July 2023	5 pm 18 July 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup

Thursday 10:00 24 August 2023	5 pm 15 August 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 28 September 2023	5 pm 19 September 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 26 October 2023	5 pm 17 October 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 23 November 2023	5 pm 14 November 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Monday 10:00 11 December 2023	5 pm 30 November 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup

Action Table (as of 27 April 2023)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0102	26/01/23	7.1	<p><i>NTS Exit Metering Issue</i> - John Baldwin (JB) to liaise with National Grid offline and come back to Distribution Workgroup with an update:</p> <ul style="list-style-type: none"> - What is the impact - What is the solution - Is it material 	<p>February-2023 March-2023 April-2023 May 2023</p>	John Baldwin (JB)	Carried Forward

UNC Workgroup 0816S Minutes
Update to AQ Correction Processes
Thursday 27 April 2023
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Ben Mulcahy	(BM)	Joint Office
Charlotte Gilbert	(CG)	BU-UK
Clare Manning	(CM)	E.ON
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Guv Dosanjh	(GD)	Cadent
Harry Hailwood	(HH)	Brook Green Supply
Hursley Moss	(HM)	Cornwall Insight
Jenny Rawlinson	(JR)	BU-UK
John R Harris	(JRH)	CDSP
Kathryn Adeseye	(KA)	CDSP
Kevin Clark	(KC)	Utilita
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Nick King	(NK)	CNG Services
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Gas Transmission
Tom Stuart	(TSt)	Wales & West Utilities
Apologies		
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0816/270423>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 May 2023.

Please note these minutes do not replicate/include detailed content provided within the material published, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0816/270423>

1.0 Introduction and Status Review

1.1. Approval of Minutes (23 March 2023)

The minutes from 23 March 2023 were approved.

1.2. Approval of Late Papers

RH noted that the amendments made to the Modification were received this week and therefore the document is deemed to be late. Workgroup agreed to review the document.

1.3. Review of Outstanding Actions

Action 0301: Joint Office (RH) to confirm with PAC that they have considered Modification 0816S and that no new reporting is required.

Update: Ellie Rogers (ER) provided the following update:

- At the April PAC meeting, the CDSP provided a presentation on certain new Modifications to assess whether there is a PARR impact and where there is, propose the changes to the PARR.
- Modification 0816S was included in this [presentation](#). To summarise, it was agreed that existing PARR reports for the AQ correction process are already in place (PARR 2A.8 and PARR 2B.8). These reports confirm the count of MPRNs where an AQ correction process has been used, for each Shipper and per reason code (eligible cause).
- The PARR reports do not state the individual reason codes therefore **no change is required to the PARR document** as a result of Modification 0816S.
- However, it is worth confirming that although the PARR does not require updating, **there is a reporting impact of 0816S**. As part of the Modification 0816S solution delivery under XRN5607, the technical changes to the mechanisms producing the existing reports will be made to include the 2 new reason codes, which will be included in the report following implementation. **Closed**

Action 0302: CDSP (KA) to ensure an agenda item is added to the DSC Change Management Committee meeting due to be held on Wednesday 12 April 2023 to ascertain if:

1. A November 2023 implementation is feasible
2. If the validation work that CDSP will have to undertake will be included in the run the business costs

Update: Ellie Rogers (ER) provided the following update:

- The ROM presented in January 2023 advised that a Major Release would be required for this change and the expected earliest implementation is February 2024 (based on the standard release timelines).
- As Workgroup Participants will be aware, it is up to the DSC Change Management Committee to agree and confirm the scopes of Major Releases.
- Looking at the Modification 0816S timetable, the earliest expected approval is mid-July 2023.
- In terms of the Change Proposal raised to deliver Modification 0816S (XRN5607), CDSP is expecting a solution review to be issued in the May 2023 Change Pack to be voted on in June 2023 which is a relatively quick turnaround to be included in the February 2024 release.
- If an earlier release were considered, the DSC Change Management Committee would have to agree to work at risk following solution review approval (anticipated in June 2023), ahead of the Modification being approved (which is not preferable to DSC Change Management Committee), plus other work would need to be reprioritised to understand if this is possible.
- Worth noting, CDSP has had recent feedback from DSC Change Management Committee that we have raised Change Proposals for Modifications too early (i.e. before the Modification is approved). CDSP do this to try and accommodate a release as soon as possible but ultimately, the DSC Change Management Committee will decide when the changes are scoped, based on where they are in the process.

- With this Modification still pending a final decision and the DSC Change process at the solution review phase, **we are still anticipating the earliest Major Release as February 2024**. Any earlier would not allow the typical 6 months lead time from solution approval to implementation which is usually required by DSC customers for Major Releases.
- In terms of point 2 of the action regarding running the business costs, this was covered within the ROM:

Ongoing costs

No ongoing costs anticipated at this stage This will be assessed and confirmed in detailed analysis / design phase.

- At the ROM stage, we have not identified additional ongoing costs associated with this change. As stated in the Modification, this will be assessed at the latter stages of the change process to provide final confirmation on this.

2.0 Amended Modification

RH noted the Modification (v9.0) was amended on 19 April 2023 and invited Clare Manning (CM) to address Workgroup with a brief overview of the amendments:

Solution

CM advised of a minor change to Business Rule 1 and Business Rule 4 with the addition of a general guidance note to further clarify that evidence must be submitted by the User to compound the legitimate application of the request.

A copy of the change-marked Modification can be found here: <https://www.gasgovernance.co.uk/0816>.

Legal Text Review

David Mitchell (DMi) provided a detailed walkthrough of the Final Legal Text v9.9 dated 20 April 2023 changes which are shown in markup and published here: www.gasgovernance.co.uk/0816/270423. The key changes are to Section G – Supply Points of the UNC Transportation Principal Document paragraphs 2.3.20 to 2.3.25.

ER clarified that for clause G 2.3.25 where CDSP will reject a request if certain criteria are not satisfied, from a process side there are lots of things CDSP will only be able to validate from a systems side of things and the CDSP will not visit the site to check on the physical equipment change! Workgroup agreed this was appropriate.

3.0 Completion of Workgroup Report

During an onscreen review of the Workgroup Report (v0.7, dated 20 April 2023), RH undertook changes to the document in line with Workgroup discussions and reviewed and updated the following sections:

- Impacts & Other Considerations
- Workgroup commentary on Consumer Benefit Areas
- Central Systems Impacts
- Workgroup Impact Assessment
- Panel Questions
- Relevant Objectives

- Implementation

Other considerations

The Workgroup briefly considered whether the Modification could go out to consultation for less than 15 days and could potentially come back to June 2023 Panel. The Workgroup and the Proposer did not feel that it needed to be faster; however, they recognised that the Panel may consider the timetable and make its own decision. The Proposer confirmed that Workgroup had followed a review *Workgroup 0783R – Review of AQ Correction Processes* raised on 06 October 2021 and therefore the matter has been discussed at Workgroup for a good long while.

4.0 Next Steps

RH noted the next steps to be taken are as follows:

- Publication of completed Workgroup Report
- Submission of Workgroup Report to the UNC Modification Panel on 18 May 2023

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
No further meetings			

Action Table (as of 27 April 2023)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0301	23/03/23	3.0	Joint Office (RH) to confirm with PAC that they have considered Modification 0816S and that no new reporting is required	Joint Office (RH)	April 2023	Closed
0302	23/03/23	3.0	CDSP (KA) to ensure an agenda item is added to the DSC Change Management Committee meeting due to be held on Wednesday 12 April 2023 to ascertain if: 1. A November 2023 implementation is feasible 2. If the validation work that CDSP will have to undertake will be included in the run the business costs	CDSP (KA)	April 2023	Closed

**UNC Workgroup 0819 Minutes
Establishing/Amending a Gas Vacant Site Process
10:00 Thursday 27 April 2023
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Ben Mulcahy	(BM)	Joint Office
Charlotte Gilbert	(CG)	BU-UK
Clare Manning	(CM)	E.ON
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Guv Dosanjh	(GD)	Cadent
Harry Hailwood	(HH)	Brook Green Supply
Hursley Moss	(HM)	Cornwall Insight
Jenny Rawlinson	(JR)	BU-UK
John R Harris	(JRH)	CDSP
Kathryn Adeseye	(KA)	CDSP
Kevin Clark	(KC)	Utilita
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Nick King	(NK)	CNG Services
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Gas Transmission
Tom Stuart	(TSt)	Wales & West Utilities
Apologies		
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0819/270423>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 May 2023 (an extension request has been agreed to be made to the 18 May 2023 UNC Modification Panel).

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/0819/270423>

1.0 Introduction and Status Review

1.1. Approval of Minutes (23 March 2023)

The minutes from the meeting held on 23 March 2023 were approved.

1.2. Approval of Late Papers

Rebecca Hailes (RH) confirmed the draft PARR Report for Workgroup to consider was received on 21 April 2023 and is considered to be a late paper. Workgroup participants agreed to consider the document.

The updated Guidance Document; updated Modification and newly drafted Frequently Asked Questions were received on the day of the meeting.

Workgroup agreed to consider late papers.

1.3. Review of Outstanding Actions

Action 0104: Joint Office (RH) to raise awareness of this Modification to the Performance Assurance Committee (PAC) for them to consider what reporting they would like.

Update: This action was considered as part of agenda item 2. **Closed**

Action 0301: *Business Rule 4 – Capacity Relief:* Proposer (LG) to include reference to the winter consumption adjustment process in the 'Amending a Gas Vacant Site Process Guidance Document'.

Update: This action was considered as part of agenda item 2. **Closed**

Action 0302: *Business Rule 7 b) – Vacant status removal - Capacity Relief:* Proposer (LG) to reference backstop in Business Rule 7 b).

Update: This action was considered as part of agenda item 2. **Closed**

Action 0303: CDSP (KA) to arrange for an agenda item to be added to the next DSC Change Management Committee meeting to raise awareness of Modification 0819 and its interaction with Modification 0816S to see if there are any impacts or consequences in terms of the system implementation (as both Modifications affect the same area of Legal Text - likely to be Section G Paragraph 2.3).

Update: Kathryn Adeseye (KA) confirmed that a discussion at DSC Change Management Committee will occur if there are any interactions identified during the detailed design phase. ER added the change pipeline shown to DSC Change shows the proposed delivery for both Modifications. **Closed**

2.0 Amended Modification

RH noted the late submission of an amended Modification from the Proposer and invited Lee Greenwood (LG) to provide an update to the Workgroup of the changes made:

Solution:

LG advised that some of the changes made are as a result of actions from the last Workgroup and some changes are ones that have come out of conversations with the Legal Text provider.

Business Rule 1

This has been made more specific to the section it refers to (TPD M5.9 Must Reads TPD M5.10).

Business Rule 2

The addition of an explanation if a shipper submits a request to set the Site to vacant and CDSP holds information that suggests the Vacant Site criteria have not been met, the CDSP will reject the submission for a Vacant status.

Business Rule 3

This has been made more specific to the section it refers to (TPD M5.9 Must Reads TPD M5.10).

Business Rule 5

Changes to the 6 exit criteria.

LG noted the first exit criterion has been changed from a submitted event to an accepted event, for the remaining criteria (2-6) the trigger will be submitted.

A site can exit the process by using any AQ correction code except for BR4.

KA clarified that the Read is submitted into UK Link under criteria number 5, which means when the read is referred to, it is a New Read.

When asked, Legal Text provider Any Clasper (AC) clarified this is quite complex legal text and he has been working closely with CDSP and the Proposer.

Business Rule 7

LG advised the changes made to this Business Rule satisfy outstanding Action 0302:

Action 0302: *Business Rule 7 b) – Vacant status removal - Capacity Relief:* Proposer (LG) to reference backstop in Business Rule 7 b). **Action Closed**

PARR Reports:

A view of the suggested PARR Reports was provided by ER who confirmed the proposed format of the PARR Reports to support the Modification.

The PAC has detailed what they are looking for and Workgroup had no comments. This satisfies outstanding Action 0104:

Action 0104: Joint Office (RH) to raise awareness of this Modification to the Performance Assurance Committee (PAC) for them to consider what reporting they would like. **Action Closed**

Legal Text

RH noted that because both Modification 0816S and Modification 0819 are updating the same section of the UNC, it is assumed DMi, and AC will work together on the Legal Text drafting.

Andy Clasper (AC) noted that because of the additional changes in Modification 0816S, there may be a need for a fast-track Modification to update any numbering differences.

Guidance Document:

LG provided a review of the changes made to the Guidance Document, which is now titled Vacant Site Guidance Document. It will become a UNC Related document and includes changes to the following sections:

Rejection of Vacant Status

ER noted that she will double-check the criteria parameters are workable and confirm back to the Proposer, before the next Workgroup on 27 May.

In terms of rejection codes when the CDSP do reject a request, Louise Hellyer (LH) asked if there will be a specific rejection code that will describe the reason for rejection. ER advised that will be determined during the Detailed Design phase and noted LH's preference.

AQ Corrections to 1 – Winter Consumption

LG advised the addition of this topic satisfies outstanding Action 0301.

Action 0301: *Business Rule 4 – Capacity Relief:* Proposer (LG) to include reference to the winter consumption adjustment process in the 'Amending a Gas Vacant Site Process Guidance Document'. **Closed**

No further comments from Workgroup.

Frequently Asked Questions:

LG advised this document is a work in progress and is to highlight some questions about the process that have been asked.

When Jenny Rawlinson (JR) asked how this Modification will apply to IGT sites, as they have a different charging methodology to GDN sites, Orlagh Chapman (OC) noted she is raising an IGT Modification and will work through the differences within the IGT Workstream.

It was suggested that a link to the CDSP E-Learning area would be a good addition to the Frequently Asked Questions (<https://www.xoserve.com/learning-hub/training-and-e-learning/e-learning-materials/>).

LG confirmed the Frequently Asked Questions will be added to the bottom of the Guidance Document going forward.

It was agreed that the Guidance Document and the Frequently Asked Questions will be appended to the Modification in an appendix.

3.0 Completion of the Workgroup Report

Recognising an extension request is pending, RH completed amendments in-line with the feedback provided by the Workgroup participants in attendance.

It was noted that Customers could potentially receive lower bills based on more accurate site consumption.

Workgroup discussed if there would be any costs offset for bringing in this change, e.g. CDSP costs.

ER advised that when this change is submitted to the DSC Change Management Committee funding could be split between Shippers and DNs.

The detail of the funding will be in the Rough Order of Magnitude (ROM) and the DSC Change Management Committee will need to agree on that funding.

4.0 Next Steps

RH noted the next steps:

- Legal Text to be requested at the 18 May 2023 UNC Modification Panel
- Submission of extension request to UNC Modification Panel on 18 May 2023

5.0 Any Other Business

None.

6.0 Diary Planning

Further details of planned meetings are available at:

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 25 May 2023	5 pm 16 May 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup

Action Table (as of 27 April 2023)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0104	31/01/23	2.0	Joint Office (RH) to raise awareness of this Modification to the Performance Assurance Committee (PAC) for them to consider what reporting they would like	Joint Office (RH)	February 2023	Closed
0301	23/03/23	2.0	<i>Business Rule 4 – Capacity Relief:</i> Proposer (LG) to include reference to the winter consumption adjustment process in the	Proposer (LG)	April 2023	Closed

Action Table (as of 27 April 2023)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
			'Amending a Gas Vacant Site Process Guidance Document'.			
0302	23/03/23	2.0	<i>Business Rule 7 b) – Vacant status removal - Capacity Relief:</i> Proposer (LG) to reference backstop in Business Rule 7 b)	Proposer (LG)	April 2023	Closed
0303	23/03/23	2.0	CDSP (KA) to arrange for an agenda item to be added to the next DSC Change Management Committee meeting to raise awareness of Modification 0819 and its interaction with Modification 0816S to see if there are any impacts or consequences in terms of system implementation (as both Modifications affect the same area of Legal Text - likely to be Section G Paragraph 2.3).	CDSP (KA)	April 2023	Closed

UNC 0836S Workgroup Minutes
Resolution of Missing Messages following Central Switching Service
implementation and integration with REC Change R0067
Thursday 27 April 2023
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Ben Mulcahy	(BM)	Joint Office
Charlotte Gilbert	(CG)	BU-UK
Clare Manning	(CM)	E.ON
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Guv Dosanjh	(GD)	Cadent
Harry Hailwood	(HH)	Brook Green Supply
Hursley Moss	(HM)	Cornwall Insight
Jenny Rawlinson	(JR)	BU-UK
John R Harris	(JRH)	CDSP
Kathryn Adeseye	(KA)	CDSP
Kevin Clark	(KC)	Utilita
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Nick King	(NK)	CNG Services
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Gas Transmission
Tom Stuart	(TSt)	Wales & West Utilities
Apologies		
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 17 August 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: <http://www.gasgovernance.co.uk/0836/270423>

1.0 Introduction and Status Review

1.1. Approval of Minutes (23 February 2023)

The minutes from the meeting held on 23 February 2023 were approved.

1.2. Approval of Late Papers

There were no late papers to consider.

1.3. Review of Outstanding Actions

Action 0201: Issues and Questions from Panel: Workgroup to consider the Materiality Test and feedback on any comments direct to David Addison or via Joint Office.

Update: The action update was considered as part of the Materiality presentation in agenda item 2. **Carried Forward**

Action 0202: Issues and Questions from Panel: CDSP (DA) to provide analysis on how big the issue has been to date using the 300 sites so far affected.

Update: The action update was considered as part of the Materiality presentation in agenda item 2. **Closed**

2.0 Amended Modification

RH noted the Modification has not been amended and currently stands as v1.0 dated 06 February 2023.

DA provided a presentation on the materiality of invoice adjustments. For a detailed update, please refer to the published slides on the meeting page.

The presentation covered the following main topics. Where there was specific interaction regarding particular slides with the Workgroup members, this has been captured within the minutes for each section of the presentation, and full details can be found on the published presentation here: www.gasgovernance.co.uk/0836/270423.

The materiality of Invoice Adjustments

David Addison (DA) advised he is not expecting this to be a material change, as the process progresses, as long as registrations are being processed within a short period, this will lessen the materiality.

Modification Components – Slide 3

DA referred to the three main elements of what the Modification aims to provide:

1. Amendment to allow CDSP to update the Registration held within UK Link systems when it becomes aware that there is, or will be, a discrepancy between CSS and UK Link;
2. Consideration of the exception process where, if the Registration Effective From Dates in CSS and UK Link are not aligned, then clarity that the Shipper responsible within CSS will be responsible for invoicing in keeping with CSS mastering Registration on CSS Supply Points;
3. Allowing the CDSP to generate a Meter Reading that the Shippers may use in Settlement to agree responsibility for gas volumes, and the basis for which this can be replaced.

In addition to these, DA advised that the CDSP have the option to provide a materiality test to determine whether the Invoice Adjustment is actually required.

CSS Effective Date Meter Reading - Slide 4

DA advised that he is proposing to insert a meter reading into UK Link systems which will provide distinct reconciliation periods and will allow the new Shipper to provide their opening reading.

DA advised that smaller Supply Point instances of them have been reduced and CSS has deployed patch fixes post the July 2022 implementation.

Proposed Characteristics of the Meter Reading - Slide 5

DA advised he intends to amend the Modification to describe the characteristics to aid the development of the Legal Text.

DA clarified that Class 1 or 2 Sites are out of the scope of this Modification.

The process will be a 2-stage approach with the Registration being processed within a few days of notification, and then insertion of the meter readings will be progressed as part of the adjustment process.

Materiality Test - Slide 6

DA advised that the main concern is not the initial adjustment, but the adjustments that will remain in the system that any future adjustments that come in may need to take into account.

DA provided an example of how the adjustment period would work:

- *01 May 2023 CSS set a Registration to go live.*
- *67 Registrations are set to go live but the notices have not been sent out.*
- *Following the implementation of the 67 Registrations, CDSP identifies the missing message, the next day an operational team will identify there is a missing Registration and request a refresh from CSS.*
- *CDSP then start the Registration process (2 days) within UK Link, and the go-live will be on 03 or 04 May 2023.*
- *The Adjustment period in question would be a 3-day adjustment.*
- *This would be an adjustment of 0.70p + £1.76 per day x 3 days = **£7.38**.*

DA clarified that every time there is an adjustment required to a meter point, there will need to be a manual check to see if the meter point being adjusted has previously had an adjustment.

DA clarified the need for a materiality test by explaining that CDSP would prefer not to produce a number of different processes to create one that means a negligible amount of money changes hands between two parties. Whereas this is Shipper's money, it is a very small amount of money being moved from Shipper A to B. CDSP is trying to avoid more manual effort and more cost than the value of the invoices.

DA added that if Workgroup is unable to reach a consensus that the materiality test can be administered, it could put the Modification in jeopardy of being implemented.

DA suggested the addition of a clause in the Legal Text that says to do this test and then make an adjustment if required.

Materiality Test - Slide 9

DA sought views from Workgroup on the materiality test to help develop this component if it is supported.

New Action 0401: Shipper participants to provide their view on the Invoicing materiality test. Linked to Action 0201.

Adjustment Methodology – Materiality - Slide 12

DA provided the options for consideration:

Calculate the Adjustment value and:

- If it is less than a given amount then the charge is not raised at all, or
- if it is below a given amount then the Adjustment is raised but this adjustment will not be subject to further adjustment...

There is also an option to pause the adjustment, to allow Shippers the opportunity to undertake the replacement of any readings that they think are wrong.

The consequence of the materiality test provides 4 options which need to be decided upon:

1. Either a Monetary or Energy value is applied
2. One-off adjustment, this will then allow the option for a Shipper to request future adjustments
3. Future adjustments can be carried out on request

4. Delay the start of the whole process to allow accurate meter readings and offer the opportunity to submit replacement readings.

DA provided an update to outstanding action 0202:

Action 0202: Issues and Questions from Panel: CDSP (DA) to provide analysis on how big the issue has been to date using the 300 sites so far affected.

Update: Analysis suggests this amounts to approx. £2.50 per day, the average time waiting for an assessment is about 3-4 months and relates to roughly 200 sites. That is the materiality.
Closed

3.0 Development of Workgroup Report

An update to the Workgroup Report will be considered at the next meeting to be held on 18 May 2023.

4.0 Next Steps

RH confirmed the next steps to be:

- Consideration of the complexity in the materiality test
- Review any info on the materiality issue
- Any changes to the Modification
- Consider the implementation timeline
- Request ROM and possibly Legal Text

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Wednesday 10:00 03 May 2023	5 pm 24 April 2023	Microsoft Teams	Consideration of the complexity in the materiality test Review any info on the materiality issue Any changes to the Modification Consider the implementation timeline Request ROM and/or Legal Text
Thursday 10:00 25 May 2023	5 pm 16 May 2023	Microsoft Teams	TBC
Thursday 10:00 22 June 2023	5 pm 13 June 2023	Microsoft Teams	TBC
Thursday 10:00 27 July 2023	5 pm 18 July 2023	Microsoft Teams	TBC

Action Table (as of 27 April 2023)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0201	23/02/23	2.0	Issues and Questions from the Panel: Workgroup to consider the Materiality Test and feedback on any comments direct to David Addison or via Joint Office.	March 2023 April 2023	Workgroup	Carried Forward
0202	23/02/23	2.0	Issues and Questions from the Panel: CDSP (DA) to provide analysis on how big the issue has been to date using the 300 sites so far affected	March 2023	CDSP (DA)	Closed
0401	27/04/23	2.0	Shipper participants to provide their view on the Invoicing materiality test. Linked to Action 0201.	April 2023	Shipper participants	Pending

**UNC Workgroup 0842 Minutes control
Gas Entry onto the Total system via an Independent Gas Transporter
10:00 Thursday 27 April 2023
via Microsoft Teams**

Attendees

Rebecca Hailes	(RH)	Joint Office
Helen Bennett	(HB)	Joint Office
Ben Mulcahy	(BM)	Joint Office
Vera Li	(VL)	Joint Office
Andy Clasper	(AC)	Cadent Gas
Charlotte Gilbert	(CG)	BU-UK
Clare Manning	(CM)	E.On Next
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Gurvinder Dosanjh	(GD)	Cadent Gas
Jenny Rawlinson	(JR)	BU-UK
Kathryn Adeseye	(KA)	Xoserve
Kevin Clark	(KC)	Utilita
Louise Hellyer	(LH)	TotalEnergies
Matthew Pitts	(MP)	Cadent Gas
Nick King	(NK)	CNG Services
Phil Lucas	(PL)	National Gas Transmission
Steve Pownall	(SP)	Xoserve
Tom Stuart	(TS)	WWU

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0842/270423>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 August 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: <https://www.gasgovernance.co.uk/dist/270423>

1.0 Outline of Modification

David Mitchell (DM) introduced the Modification and explained that this Modification will facilitate gas flow into the Total System via an Independent Gas Transporter's (IGT) pipeline. DM explained that the Uniform Network Code (UNC) is currently silent on a situation where gas can flow into the Total System via an IGT pipeline and from an IGT pipeline onward into a Distribution Network Operator (DNO) system. This Modification has been raised to address this void and establish the arrangements between the IGT, the DNO and the Delivery Facility Operator to allow this flow.

Rebecca Hailes (RH) noted that this Modification will impact the IGT-UNC. She has communicated with IGT-UNC Code Administrator to investigate the potential to discuss Modification jointly with their Workstream Meeting to enable more exposure. Future Workgroup meetings might coincide with the IGT Workstream meeting dates as a standalone Workgroup. RH will communicate the outcome with Proposer.

DM confirmed he is joining the IGT Workstream meeting on 11 May 2023 to provide an overview.

DM provided an overview of the Business Rules and key points were noted as follows:

BR1

The Chair asked why it is “notionally located on a DNO Network” and DM explained the gas will flow onto the Total System from the IGT network. For example, it could come from a Biomethane plant from the DFO (delivery facility operator).

BR2

Comments have been received from Wales and West Utilities as an Initial Representation regarding the tri-partite agreement. DM advised they would consider the comment and review BR2 to accommodate the comments received.

Gurvinder Dosanjh (GD) from Cadent Gas supported WWU’s comment.

BR3

DM explained that no change to the CSEP definition is proposed.

A discussion about the UNC terms including ISEP and CSEP followed.

Nick King (NK) said that ‘ISEP’ is confusing as it can refer to either Individual System Exit Point or Individual System Entry Point and that for exit, ‘CSEP’ is a better term to use as it is specific to exit and avoids confusion.

DM confirmed he would tidy this BR to make it clearer.

Post Meeting Note: NK suggested circulating an extract of UNC TPD Section A prior to the next meeting.

Joint Office: UNC TPD Section A document can be found here at <https://www.gasgovernance.co.uk/uncwordtpd>

BR4

Discussion took place about Interconnectors.

NK commented on the precedent of the interconnector, whilst interconnector physical flow can only be in a single direction at any moment, commercial flow in both directions can be possible where contract terms allow it and systems deal with this through having Gemini entry meters and Gemini exit meters, with each shipper’s UDQOs and UDQIs determined through netting off commercial quantities against physical through allocation arrangements.

Workgroup further discussed how nomination and allocation will be taken care of in Gemini, and how accounting and balancing will be affected. The example of storage was given with flows in and out. Workgroup agreed that the interaction of this new two-way flow and the operation of the CSEP must be thought through by the Proposer. For example, the Proposer needs to set out in detail how commercial gas entry and gas exit volumes will be accounted for, for energy balancing purposes.

Workgroup discussion also took place around the LDZ CV calculation and agreed this needed to be considered.

Post-meeting comments received:

Phil Lucas noted, accepting that IGT entry volumes may be expected to be small, do the arrangements need to recognise that the physical connection (which is currently classified as a Connected System Exit Point – CSEP) may also be an Entry Point i.e. if entry volumes exceed exit volumes in that particular IGT.

BR5

No comments were raised.

Post-meeting comments received: NK confirmed IGTAD provisions cater for IGT shrinkage, and that in his opinion, the mechanism is appropriate for Reverse Compression and that due to the small diameter of the pipe and only a few tens of metres of it being involved, that the potential shrinkage impact for Reverse Compression is negligible.

BR6

DM confirmed this will be reviewed due to previous comments raised by the Initial Representation received.

No specific comments have been raised under BR7, BR8 and BR9

BR7:

Post Meeting Note: NK suggested this Business Rule be expanded upon in light of IGTAD Section B.

Joint Office: IGTAD Section B can be found here at <https://www.gasgovernance.co.uk/uncwordigtad>

RH concluded the discussion and set out the following actions:

New Action 0401: Proposer to consider the following:

- to explore the impact on energy balancing
- to consider the initial representation
- to consider the flow out of daily LDZ

New Action 0402: Proposer to clarify how to manage the daily LDZ CV Calculation

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Are these arrangements consistent with Modification 0808 especially in respect of responsibility for the Entry Point?

Not discussed. To be covered at the next meeting.

2.1.2. Consideration of any consequential impact on balancing and operation of the system.

Not discussed. To be covered at the next meeting.

2.2. Initial Representations

An Initial Representation was received from Wales and West Utilities.

Tom Stuart (TS) mentioned the Initial Representation is also around the principle of DN operation of entry points outside of DN Networks.

RH shared and provided a brief of the Initial Representation.

DM agreed to review this in light of Business Rules 1, 2 & 6 and possibly the others and report back in the next Workgroup meeting.

RH commented it might be useful if this Modification Workgroup meeting was on the same day as Modification 0808 and the date for the next 0808 meeting is 23 May 2023. RH will communicate with DM to confirm this arrangement, and also investigate whether the IGT-UNC would like to join the Workgroup.

PL asked the proposer if there are prospective entry connections into IGT that are driving the raising of this Modification and the timeframe. DM commented he would report back but he did not think there was a pressing requirement.

2.3. Terms of Reference

As panel questions have been set, a specific Terms of Reference has been published alongside the Modification at <https://www.gasgovernance.co.uk/0842>

3.0 Next Steps

RH confirmed the Next Steps

- DM to prepare a draft response to Panel questions to be discussed next month;
- Next meeting either to be accommodated with the Distribution workgroup meeting or with Modification 0808 on 23 May 2023;
- DM to review the BRs.

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	Workgroup Programme
12:30 Tuesday 23 May 2023 (Potential Workgroup Meeting date to be confirmed)	5 pm Monday 15 May 2023	Microsoft Teams	Standard Agenda

Action Table (as of 27 April 2023)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0401	27/04/23	1.0	Proposer to consider the following: <ul style="list-style-type: none"> • to explore the impact on energy balancing • to consider the initial representation • to consider the flow out of daily LDZ 	May 2023	Proposer (DM)	Pending
0402	27/04/23	1.0	Proposer to clarify how to manage the daily LDZ CV Calculation	May 2023	Proposer (CM)	Pending

UNC Workgroup 0843 Minutes
Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert
Thursday 27 April 2023
via Microsoft Teams

Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Ben Mulcahy	(BM)	Joint Office
Charlotte Gilbert	(CG)	BU-UK
Clare Manning	(CM)	E.ON
David Mitchell	(DMi)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Guv Dosanjh	(GD)	Cadent
Harry Hailwood	(HH)	Brook Green Supply
Hursley Moss	(HM)	Cornwall Insight
Jenny Rawlinson	(JR)	BU-UK
John R Harris	(JRH)	CDSP
Kathryn Adeseye	(KA)	CDSP
Kevin Clark	(KC)	Utilita
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Nick King	(NK)	CNG Services
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Gas Transmission
Tom Stuart	(TSt)	Wales & West Utilities
Apologies		
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 July 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: <http://www.gasgovernance.co.uk/0843/270423>

1.0 Outline of Modification

DMo explained that the purpose of this Modification is to enable the more accurate allocation of Shrinkage to Gas Distribution Networks (GDN) by the enabling of incentivising the reduction of greenhouse gas emissions and the introduction of the Independent Shrinkage Expert who will establish:

- **An Independent Shrinkage Model (ISM),**
- **An Independent Shrinkage Model Methodology (ISMM),**
- **An Independent Shrinkage Multiplication Factor (ISMF); and an**
- **Independent Shrinkage Charge (ISC)**

For detail such as Why Change and Solution, please refer to the Modification published at: <https://www.gasgovernance.co.uk/0843>

The Modification is proposed as Authority Direction with a Workgroup Assessment concluding in July 2023.

Workgroup Discussion:

When Tom Stuart (TSt) asked if there is any evidence to support the current rates of methane quoted in the Why Change section of the Modification, DMO clarified this is detailed in the appendix to the Modification.

TSt suggested that the Shale Gas evidence, (which can be found in the appendix of the Modification *(2019) Environmental baseline monitoring for shale gas development in the UK: Identification and geochemical characterisation of local source emissions of methane to atmosphere* <https://doi.org/10.1016/j.scitotenv.2019.134600>), is not relevant to Shrinkage, DMO agreed to remove this from the Modification.

When TSt asked if the charge would be proportionally applied across the DNs, DMO clarified that the role of the ISE is independent, therefore, how the charge is applied would be for them to decide, if the ISE considers the charge is best split by locality, that is what they can implement.

New Action 0401: Proposer (DMo) to consider regionalisation of the charges.

Jenny Rawlinson (JR) asked for consideration to be given to the cost of introducing the ISE and the new process, against what would be recovered by DNs.

When RH asked, SGN; Wales & West Utilities and Cadent advised, at the moment, they are not considering raising an alternative to this Modification.

DMo agreed to update Workgroup on why National Gas is out of the scope of this Modification.

New Action 0402: Proposer (DMo) to provide the rationale as to why National Gas is out of the scope of this Modification.

It was noted that the Shrinkage Forum is not a UNC Forum, therefore a Shrinkage Sub-Committee, similar to the AUG Sub-Committee, may be required.

Ellie Rogers (ER) confirmed that the Rough Order of Magnitude (ROM) provided for Modification 0831 - *Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method*, includes the cost-saving element if the AUGE were to be removed. The ROM can be found published here: www.gasgovernance.co.uk/0831/230323.

TSt sought clarification that the process that will be used to review ISE recommendations to amend or make a change to the SLM will include an assessment of the recommendations put to Ofgem and a review carried out by Ofgem of the existing process.

DMo clarified that Licence obligations will not be impacted by the implementation of this Modification.

Deborah Sherlock (DSh) asked if there will be an Appeal Process put in place if an Ofgem decision is not agreed with. DMO advised he is happy to include a process in the Modification.

New Action 0403: Proposer (DMo) to consider an Appeal process for the authority approval mechanism.

New Action 0404: Proposer (DMo) to consider how the ISE and AUGE will interact to avoid dual governance.

New Action 0405: Proposer (DMo) to update the Modification in line with Workgroup discussions.

When asked, Workgroup participants agreed that a joint Workgroup with IGTs should be considered.

DMo clarified he is considering raising an IGT Modification.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Impact on price control incentives

New Action 0406: Proposer (DMo) to prepare a Proposer’s response to answer the question raised at UNC Modification Panel, ‘Impact on price control incentives’.

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/0843

3.0 Next Steps

RH confirmed that consideration of action updates will form the discussion at the next Workgroup meeting.

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
Wednesday 10:00 03 May 2023	5 pm 24 April 2023	Microsoft Teams	Consideration of Action updates
Thursday 10:00 25 May 2023	5 pm 16 May 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup

Action Table (as of 27 April 2023)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0401	27/04/23	1.0	Proposer (DMo) to consider regionalisation of the charges.	April 2023	Proposer (DMo)	Pending
0402	27/04/23	1.0	Proposer (DMo) to provide the rationale as to why National Gas is out of the scope of this Modification.	April 2023	Proposer (DMo)	Pending
0403	27/04/23	1.0	Proposer (DMo) to consider an Appeal process for the authority approval mechanism.	April 2023	Proposer (DMo)	Pending
0404	27/04/23	1.0	Proposer (DMo) to consider how the ISE and AUGE will interact to avoid dual governance.	April 2023	Proposer (DMo)	Pending
0405	27/04/23	1.0	Proposer (DMo) to update the Modification in line with Workgroup discussions.	April 2023	Proposer (DMo)	Pending
0406	27/04/23	2.0	Proposer (DMo) to prepare a Proposer's response to answer the Panel question, 'Impact on price control incentives'.	April 2023	Proposer (DMo)	Pending