

UNC Distribution Workgroup Minutes
Thursday 25 August 2022
via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF
Andy Clasper	(AC)	Cadent
Ben Mulcahy	(BM)	Northern Gas Networks
Brandon Rodriguez	(BR)	ESP Utilities Group
Claire Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON Energy
David Mitchell	(DM)	SGN
David Reynolds	(DR)	Northern Gas Networks
Elena Dranceanu	(ED)	SEFE Energy Limited
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (0816S)
Hursley Moss	(HM)	Cornwall Insight
Gurvinder Dosanjh	(GD)	Cadent
John Baldwin	(JB)	CNG Services Ltd (0808 only)
John R Harris	(JH)	Xoserve
Kate Lancaster	(KL)	Xoserve
Kathryn Adeseye	(KA)	Xoserve
Mark Jones	(MJ)	SSE
Martin Attwood	(MA)	Xoserve (0812R only)
Michelle Brown	(MB)	Energy Assets
Nicky Kingham	(NK)	Xoserve
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Talia Lattimore	(TL)	Gemserv
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dist/250822>

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/250822

1. Introduction and Status Review

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

1.1. Approval of Minutes (28 July 2022)

The minutes from the previous Distribution Workgroup were approved.

Tracey Saunders (TS) noted that Ben Hanley was only in attendance for Workgroup 0808.

1.2. Approval of late papers

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

1.3. Review Outstanding Actions

0302: Registration Timeline with REC - Xoserve (ER/DA) to advise Workgroup what the transition arrangement will be.

Update: It was confirmed this will be covered within material provided for Agenda Item 2. **Action Closed**

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

Update: ER requested the update for this action is deferred to the September meeting and sought clarification from Steve Mulinganie (SM) that the focus for the report should be on Modifications approved and awaiting implementation. **Carried Forward.**

0107: NGN (TS) and CDSP (ER) to advise Workgroup if there is any information that can be shared as to the definitions of priority consumers.

Update: TS advised these areas are BEIS led discussions, therefore she has nothing further to share, TS added that Northern Gas Networks are keeping Xoserve fully engaged.

ER noted that Xoserve have advised BEIS that the Industry are interested in further information.

When EF asked if this is related to priority customers for involuntary load shedding only, TS confirmed. **Action Closed**

0207: All DNs to provide an overview of the process for the emergency planning exercise - for Workgroup viewing only.

Update:

TS Northern Gas Networks update: TS has liaised with colleagues that run this process who have assured her that the standard process is followed. TS noted this is an annual exercise and this year is no different. The information that is used to run this process is an internally maintained set of information as it has been found that external information is less up to date.

David Mitchell SGN update: The National Emergency Co-ordinator (NEC) drives the requirements and produces the scripts that are used during the exercise, these results are shared with the industry. He understands the exercise will be run for 3 days in September. National Grid confirmed that the exercise is over 4 days in total.

Richard Pomroy (RP) noted that National Grid are running an awareness session early September.

The following update was provided to the Transmission Workgroup that was held on 04 August 2022:

Phil Lucas (PL) provided a paper detailing Exercise 'Degree' which is the Gas Industry's annual Network Gas Supply Emergency (NGSE) Network Emergency Coordinator (NEC) assurance exercise, asking parties to ensure key staff are informed.

PL confirmed that Exercise Degree will focus on NEC communications with all industry participants through all stages of an emergency, both in the lead up and during an NGSE, and assure that industry participants are aware of their obligations to comply with NEC instruction.

For full details please refer to the [paper](#) published at:

<https://www.gasgovernance.co.uk/tx/040822>.

For further enquires please contact the Emergency and Incident Framework Team via: gasops.emergencyplanning@nationalgrid.com

PL confirmed a post meeting note will be provided for publication alongside the Transmission minutes.

Action Closed

1.4. User Representative process

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

Key Stages	Commencing:
Notification of Membership	01 September 2022
Membership commences	01 October 2022

1.5. Industry Update from Ofgem

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

TS requested that Ofgem are asked if the publication of this report can be published as an Excel spreadsheet rather than a pdf.

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

1.6. Pre-Modification discussions

1.6.1. Releasing of unused capacity under a specific set of circumstances

Tracey Saunders (TS) provided confirmation that the Modification has been submitted to Joint Office which is now published as Modification 0818 - Releasing of unused capacity under a specific set of circumstances, <https://www.gasgovernance.co.uk/0818>.

TS clarified that changes have been made in accordance with pre-Modification discussions held at Workgroup in July including extending the appeal period to 2-months and to include criteria of must not have paid for reinforcement works previously.

1.6.2. Remove the remaining Retrospective Asset, Address and Supply Point (RAASP)

Aleksandra Cebo (ACe) advised Workgroup that EDF intend to raise a Modification that will seek to remove the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under *Modification 0434 Project Nexus – Retrospective Adjustment* and further amended by *Modification 0651 - Changes to the Retrospective Data Update provisions*

A pre-Modification discussion will be held at Workgroup on 22 September 2022.

2. CSS REC Consequential Changes Update

Referring to the presentation material provided, Ellie Rogers (ER) provided the following update:

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.

Outstanding Issues – Slide 2

ER highlighted that CDSP have reconciled Pending messages which has identified two issues:

1. Late Gate Closure messages
2. Missing gate closure messages

A third issue was identified 'Out of sync messages' but these are of less concern as a change has been deployed to minimise the impact of these.

Late Gate Closure – Slide 3

ER noted that CDSP should be getting messages within the 5pm and 5:20pm timeframe and have had a number of instances of Late Gate Closure messages – i.e. messages after 18:00 on D-1.

What needs to be done

- Xoserve believes that this further establishes the need for a message to confirm the end of Gate Closure for a day –that CSS sends to confirm all messages successfully delivered.
- Xoserve also considers that a Reconciliation Report should be available to parties to ensure that all messages have been received (so that we can cross verify our Reconciliation against the CSS version).

ER advised that a tactical fix was deployed on 15 August 2022.

New Action 0208: CDSP (ER) to confirm the implementation of CRD129 is successfully delivered and a see if a reconciliation report can be made available to all parties.

Missing Gate Closure - Slide 6

ER highlighted that the majority of missing messages relate to Registrations. This is now being monitored and DCC indicated that a fix was due to be deployed on 18 August 2022.

CRD061 - Slide 7

ER noted that the issue of Missing Gate Closure messages would have been mitigated by a "resend" functionality. This function should have been deployed but would have impacted the CSS Go Live implementation date.

CDSP have stipulated that this functionality is a Programme Deliverable, and that Early Life Support (ELS) should not be completed without it being delivered.

Next Steps - Slide 8

- Need confirmation which of the Missing Gate Closure messages were intended to result in Registration or Cancellation
- Need to understand options for resolution where this should have been a Registration – CDSP have impressed upon DCC the need to engage the whole industry as to the correct resolution path –and not a CSS centric plan
- XRN5535 was raised to determine what to do if CDSP received a message after 03:00 on D
 - CDSP are using this Change Proposal to assess what needs to be done for the 'missing' Registrations – CDSP have no Retro Registration functionality so solution needs to be identified –e.g. increment Registration and adjustment

Next Steps for UNC - Slide 9

- DCC have indicated that they do not believe that they can generate the Secured Active messages – CDSP will need to consider what Regulatory change will be required as both the REC and UNC refer to the Secured Active message
- Where this should have resulted in a Registration, CDSP will need to determine what action should be taken with these Registrations in the UNC
 - Assumed that this will be Invoice Adjustments – proposed that CDSP define a simplified methodology
 - This will increase exceptions in all parties processing
- The extent to which this needs to be defined in the UNC or ancillary documents is TBC, but will depend on the scale of the issue and the proposed resolution
- **Resolution will be protracted for Missing GC Messages**

SM requested that retrospective registration is considered in order to ensure alignment as this is an important issue and could have considerable commercial consequences.

ER clarified that retrospective registration is being considered.

3. Workgroups

3.1. 0808 – Reverse Compression

(Report to Panel 15 September 2022)

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

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

(Due to Report to Panel 20 October 2022)

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

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

(Due to Report to Panel 20 April 2023)

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

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

(Report to Panel 19 January 2023)

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

3.5. 0816S – Update to AQ Correction Processes

(Report to Panel 17 November 2022)

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

4. Matters for Workgroup Consideration

4.1. Constrained System Impact this winter

EF advised that this topic is being discussed as part of Transmission Workgroup and that Phil Hobbins, National Grid, is leading on discussions.

Please see below extract from the Transmission Workgroup minutes where Gas Demand Side Response (DSR) was discussed:

Gas Demand Side Response (DSR)

Phil Hobbins (PH) provided a summary overview, sharing feedback with the Workgroup from recent engagements including the use of alternative fuels, impacts on prices, and lead-times. PH noted that National Grid are not currently in a position to raise a Modification, noting that there was broad support for a DSR reform.

PH explained that in the event of a tight supply / demand position, triggering a gas balancing notification, there would be little or no DSR volumes available without additional market stimulus.

Steve Mulinganie (SM) enquired if National Grid received feedback from consumers in regard to investment and the recovery of capital expenditures, how costs would be addressed for reinstating mothballed sites, the facilitation of this and the option payments/price.

PH provided an overview of the alternative solutions suggested, an overview of the issues in relation to the principles, commercial considerations and process.

PH provided a strawman on the initial proposals to address the issues that need to be resolved. PH confirmed further industrial sector specific engagement will be undertaken through a consumer survey before developing a draft Modification proposal, which may be raised under Urgent procedures to enable options to be available as soon as possible.

Bethan Winter (BW) requested that National Grid keep Distribution Network Operators (DNOs) informed. PH confirmed that a refresher session is planned for the emergency arrangements.

SM noted there was a need for incremental change and the need for a broader horizon review for enduring arrangements, to make the scheme more attractive to more parties.

Julie Cox (JCx) agreed there could be short and long term changes, noting that there was no Modification at present however once National Grid come to a decision the outcome could result in an Urgent Modification for this winter. PH acknowledged that the timescales are moving towards the need for an Urgent Modification.

5. Issues

6. Any Other Business

6.1. Registration open for the Performance Assurance Industry Engagement Session

EF drew attention to the communication issued on behalf of the Performance Assurance Framework Administrator (PAFA) on 17 August 2022 relating to the Performance Assurance Committee (PAC) invitation to an industry engagement session on 21 September 2022 from 10am – 1pm.

The event will take place on Microsoft Teams and will include the use of *Slido* which is an interactive application accessible either through your browser or mobile phone, which will give you the ability to interact with the PAC and offer feedback on the regime in real time.

Please register your interest and receive your invitation, by emailing the Performance Assurance Framework Administrator (PAFA) on PAFA@Gemserv.com.

6.2. Proposed changes to gas distribution entry connection charging arrangements

Guv Dosanjh (GD) provided an update on a recent presentation to Workgroup where a series of options were presented. The Consultation has now closed, a number of responses have been received which are now being reviewed by Cadent. The GDNs will then collectively review the responses and submit a conclusion report to Ofgem. Any output will be shared with this group.

When asked, GD clarified that the responses might not be published, but he will check.

7. 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 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 25 August 2022)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0302	27/01/22	2.0	<i>Registration Timeline with REC - Xoserve (ER/DA) to advise Workgroup what the transition arrangement will be.</i>	May 2022	Xoserve (ER/DA)	Closed
0105	26/05/22	6.1	Joint Office, in conjunction with Xoserve, to review the Transmission Workgroup Change Horizon to assess if there is a suitable version for Distribution Workgroup.	June 2022 September 2022	Joint Office (RHa) and Xoserve (ER)	Carried Forward
0107	28/07/22	5.1	NGN (TS) and CDSP (ER) to advise Workgroup if there is any information that can be shared as to the definitions of priority consumers.	August 2022	NGN (TS) and CDSP (ER)	Closed
0207	28/07/22	5.2	All DNs to provide an overview of the process for the exercise - for Workgroup viewing only.	August 2022	All DNs	Closed
0108	25/08/22	1.5	<i>Industry Update from Ofgem</i> Joint Office (EF) to advise Ofgem of the request for an excel version of the <i>Code Modification / Modification Proposals with Ofgem for decision - Expected publication dates timetable</i> to be published	September 2022	Joint Office (EF)	Pending
0208	25/08/22	2.0	<i>CSS REC Consequential Changes Update</i> CDSP (ER) to confirm the implementation of CRD129 is successfully delivered and a see if a reconciliation report can be made available to all parties	September 2022	CDSP (ER)	Pending

**UNC Workgroup 0808 Minutes
Reverse Compression
Thursday 25 August 2022
via Microsoft Teams**

Attendees		
Eric Fowler (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF
Andy Clasper	(AC)	Cadent
Ben Mulcahy	(BM)	Northern Gas Networks
Brandon Rodriguez	(BR)	ESP Utilities Group
Claire Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON Energy
David Mitchell	(DM)	SGN
David Reynolds	(DR)	Northern Gas Networks
Elena Dranceanu	(ED)	SEFE Energy Limited
Ellie Rogers	(ER)	Xoserve
Hursley Moss	(HM)	Cornwall Insight
Gurvinder Dosanjh	(GD)	Cadent
John Baldwin	(JB)	CNG Services Ltd (0808 only)
John R Harris	(JH)	Xoserve
Kate Lancaster	(KL)	Xoserve
Kathryn Adeseye	(KA)	Xoserve
Mark Jones	(MJ)	SSE
Michelle Brown	(MB)	Energy Assets
Nicky Kingham	(NK)	Xoserve
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Talia Lattimore	(TL)	Gemserv
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0808/250822>

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 September 2022.

1.0 Introduction and Status Review

1.1. Approval of Minutes (23 June 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

0105: DNs to provide justification for an Authority Direction Governance route based on v1.0 of the Modification.

Update: Not discussed – awaiting offline discussion to be held. **Carried Forward.**

0106: DNOs to supply list of mandatory items for ancillary agreements and items which that may be required in an ancillary agreement.

Update: Not discussed – awaiting offline discussion to be held. **Carried Forward**

2.0 Amended Modification

In order to assess if the Modification is implementable, EF clarified Workgroup are expecting an amendment to the Modification in accordance with previous Workgroup discussions.

John Baldwin (JB) clarified that when SGN reviewed the Modification for legal text development, they identified the Biomethane User would need to hold a GT Licence.

JB noted that it is unclear if a Modification is required, or if a process can be put in place where the GT can approach the DN, and an offline agreement is made in order to put in place the necessary measures of the requirement. However, JB would want the same process across all four GDN areas.

Steve Mulinganie (SM) noted that if the GT licence route was progressed this would not be a matter for the Code and therefore a Modification would not be required.

Richard Pomroy (RP) informed Workgroup that if a 3rd party had a combined entry and exit agreement this would need to be in Code and a disapplication of the charging arrangements would need to be completed.

JB offered 3 options as a way forward:

1. A GDN process.
2. A self-lay option if a specification can be agreed that can be purchased. (Compressor specification).
3. The Modification approach.

JB advised he has a list of 20 projects with 5 currently wanting to go ahead.

When Tracey Saunders (TS) asked if the GT Licence option went ahead, would something still need to be mentioned in Code, RP advised he believes Code would need something to deal with the charging

JB suggested that offline conversations with the legal text provider (SGN) and Richard Pomroy should be had to see if the Modification could be implementable, and if so, what needs to happen, then report back to Workgroup with a solution option.

EF agreed to seek an extension to November 2022 at the September 2022 UNC Modification Panel meeting and noted the expectation is to report earlier if offline discussion determines.

An interim Workgroup Report will be presented to UNC Modification Panel on 15 September 2022.

All parties committed to hold those discussions.

<p>New Action 0108: Proposer (TD) to have offline conversations with the legal text provider (SGB) and Richard Pomroy to see if the Modification could be implementable, and if so, what needs to happen, then report back to Workgroup with a solution option.</p>
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3.0 Review of Legal Text

Not completed – awaiting offline discussion to be held.

4.0 Completion of Workgroup Report

Not completed – awaiting offline discussion to be held.

5.0 Next Steps

EF confirmed the next step will be to:

- SGN, Richard Pomroy and Proposer to discuss the way forward
- Request a further reporting extension at September UNC Modification Panel, (report to Panel in November)

6.0 Any Other Business

None raised.

7.0 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
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

Action Table (as at 28 July 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0105	26/05/22	3.0	DNOs to provide justification for an Authority Direction Governance route based on v1.0 of the Modification.	DNOs	Carried Forward
0106	23/06/22	3.0	DNOs to supply list of <u>mandatory</u> items for ancillary agreements and items which that <u>may</u> be in an ancillary agreement.	DNOs	Carried Forward

**UNC Workgroup 0811S Minutes
Shipper Agreed Read (SAR) exceptions process
Thursday 25 August 2022
via Microsoft Teams**

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office (Observing)
Aleksandra Cebo	(ACe)	EDF
Andy Clasper	(AC)	Cadent Gas
Ben Mulcahy	(BM)	Northern Gas Networks
Brandon Rodrigues	(BR)	ESP Utilities Group
Claire Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON Energy
David Mitchell	(DM)	SGN
David Reynolds	DR	Northern Gas Networks
Elena Dramceanu	(ED)	SEFE Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Gurvinder Dosanjh	(GD)	Cadent Gas
Hursley Moss	(HM)	Cornwall Insight
Kate Lancaster	(KL)	Xoserve
Kathryn Adeseye	(KA)	Xoserve
Mark Jones	(MJ)	SSE
Michelle Brown	(MB)	Energy Assets
Nicky Kingham	(NK)	Correla on behalf of Xoserve
Peter O'Neill	(PO)	Cadent Gas
Phil Lucas	(PL)	National Grid
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TS)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0811/250822>

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

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1.0 Introduction and Status Review

1.1. Approval of Minutes (28 July 2022)

The minutes from the meeting held on 28 July 2022 were approved.

1.2. Approval of Late Papers

There were no late papers.

1.3. Review of Outstanding Actions

Action 0107: SEFE Marketing & Trading Limited (SM) to provide some worked examples in the form of a process flow diagram.

Update: SM pointed out that this has been provided in the amended version of the proposal. **Closed**

Action 0207: All Shippers to review the Business Rules within the Modification and provide comments to October 2022 Workgroup meeting.

Update: SM had received some comments and the business rules have been slightly amended so a new action will be created. **Closed**

2.0 Amended Modification

Steve Mulinganie (SM) provided an overview of the amended Modification v4.0 submitted on 24 August 2022 based on discussions and actions from previous meeting of 27 July 2022.

All changes can be found on <https://www.gasgovernance.co.uk/0811>

The first changes were referenced to the Solution to ensure the CDSP would not accept a request if it was submitted less than [2] months since the date of the Opening Meter Read.

The next amendment is a point of clarity for CDSP to include the clause that negative meter reading would be rejected.

SM stated the main change was of Business Rules (BRs) 1 and was only a minor amendment to split out two parties - the Withdrawing User and the Proposing User; and recognised the Proposing User could be allowed to submit Meter Reading to CDSP if the out of tolerance was not breached; this addition made it clear a slight invitation to the parties to use this route that was available to them.

SM clarified the reason for replacing “appeal” to “reject” in order to reflect the action was rejection, not appealing.

Due to the short notice of the changes made, SM requested Workgroup participants to review the changes and provide feedback at the next Workgroup meeting on 22 September 2022,

ER asked all to share with CDSP any comments/concerns on this process to aid the solution delivery of the Rough Order of Magnitude (ROM) request.

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

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

3.0 Development of Workgroup Report

The Workgroup Report will be developed as part of the 22 September 2022 meeting.

4.0 Next Steps

EF confirmed further discussion on Modification at the 22 September 2022 meeting

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
Thursday 10:00 22 September 2022	5pm 13 September 2022	Microsoft Teams	Standard Agenda

Action Table (as at 25 August 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0107	28/07/22	1.0	SEFE Marketing & Trading Limited (SM) to provide some worked examples in the form of a process flow diagram.	SEFE Marketing & Trading Limited (SM)	August 2022	Closed
0207	28/07/22	1.0	All Shippers to review the Business Rules within the Modification and provide comments to October 2022 Workgroup meeting.	All Shippers	August 2022	Closed
0108	25/08/22	2.0	All Shippers to review the amended Business Rules within the Modification and provide comments/concern to JO for further discussion in October 2022 Workgroup meeting.	All Shippers	October 2022	Pending
0208	25/08/22	2.0	New Action 0208: All Shippers (where possible), to share with the CDSP typical volumes for their organisation where a SAR has been agreed between Shippers, whereas the Proposing User has failed to submit it.	All Shippers	October 2022	Pending

**UNC Workgroup 0812R Minutes
Review of Alternative to “Must Read” Arrangements
Thursday 25 August 2022
via Microsoft Teams**

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF
Andy Clasper	(AC)	Cadent
Ben Mulcahy	(BM)	Northern Gas Networks
Brandon Rodriguez	(BR)	ESP Utilities Group
Claire Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON Energy
David Mitchell	(DM)	SGN
David Reynolds	(DR)	Northern Gas Networks
Elena Dranceanu	(ED)	SEFE Energy Limited
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Hursley Moss	(HM)	Cornwall Insight
Gurvinder Dosanjh	(GD)	Cadent
John R Harris	(JH)	Xoserve
Kate Lancaster	(KL)	Xoserve
Kathryn Adeseye	(KA)	Xoserve
Mark Jones	(MJ)	SSE
Martin Attwood	(MA)	Xoserve
Michelle Brown	(MB)	Energy Assets
Nicky Kingham	(NK)	Xoserve
Phil Lucas	(PL)	National Grid
Rebecca Hailes	(RHa)	Joint Office
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Talia Lattimore	(TL)	Gemserv
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 April 2023.

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1.0 Outline of Modification

Richard Pomroy (RP) was invited to provide an overview of the Request and referred to Section 3 of the Request, Terms of Reference.

Steve Mulinganie (SM) suggested that Class 1 Meter Reads could be included in the scope if the Distribution Network Owners are no longer going to be the custodian of Settlement.

RP advised this has been considered but the decision was made to leave them out of scope.

When it was mentioned there is no element of safety considerations when a meter has not been read for long period of time, RP advised that gas safety checks are Licence condition and the Must Read process only relates to meter readings. He added that Meter Readers may or may not be competent in safety of site checks.

EF noted that historically, it has often been a coincidence that both Must Read, and the Site Safety check have been carried out at the same time.

It was requested that a 'For the avoidance of doubt' statement is added to the Request to state that safety related matters are out of scope.

RP agreed to revise the ToR and an make the necessary updates.

RP noted the 3 option solutions for Workgroup to consider in discussions going forward which should lead to the creation of a Modification:

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

SM stated a preference for Option1 and noted that if it was taken forward, under Modification 0674 - Performance Assurance Techniques and Controls, which is due to be implemented from 01 November 2022, PAC is more robust and should determine an appropriate action.

Workgroup considered that IGTs are quite heavily involved in must reads. Talia Latimore (TL) noted that [IGT Modification 0159](#) looks to further expand the must read provisions and is currently in Consultation until 19 September 2022. In order to see how this Request moves forward, and the possible impact on IGTs, TL will attend future meetings.

IGT Modification 159 – Amendments to the Must Read process:

To update the Must Read process to include timescales for a site to enter the process, and to introduce timeframes for procuring and returning a read. To update reporting requirements to ensure the most accurate and up to date information is available to all Industry Parties.

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

RP clarified that if the obligation is removed from Transporters, that does not preclude anyone from offering a commercial service to Suppliers to procure reads.

RHa noted, as Chair of PAC, she is quite nervous about PAC taking on this responsibility and that PAC could, in future, raise a Modification to put the service back to Transporters.

It was noted that the main objective for Modification 0674 is putting the appropriate tools in place to manage Settlement risk and not necessarily how long a read has been missing for.

SM asked if it is worth Workgroup asking Ofgem, as the Authority, in principle if are they happy with the removal of the must read obligation from Transporters.

RP highlighted to the Workgroup there was a Modification raised previously which Ofgem rejected on the basis of Transporters being the guardian of Settlement, but that is no longer valid.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

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

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at www.gasgovernance.co.uk/0812.

3.0 Next Steps

Commence discussions.

4.0 Any Other Business

None.

5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
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 at 25 August 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0108	25/08/22	1.0	IGT (TL) to update Workgroup on what the counterargument is for IGTs expanding the Must-Read service. What explains that preference? How much is the process being used? Why are IGT taking a very different approach?	IGT (TL)	Pending

UNC Workgroup 0813 Minutes
Revision of Virtual Last Resort User and Contingent Procurement of
Supplier Demand Event Triggers
Thursday 25 August 2022
via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office (Observing)
Aleksandra Cebo	(AC)	EDF
Andy Clasper	(AC)	Cadent Gas
Ben Mulcahy	(BM)	Northern Gas Networks
Brandon Rodrigues	(BR)	ESP Utilities Group
Claire Louise Roberts	(CLR)	Scottish Power
Clare Manning	(CM)	E.ON Energy
David Mitchell	(DM)	SGN
David Reynolds	DR	Northern Gas Networks
Elena Dramceanu	(ED)	SEFE Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Gurvinder Dosanjh	(GD)	Cadent Gas
Hursley Moss	(HM)	Cornwall Insight
Kate Lancaster	(KL)	Xoserve
Kathryn Adeseye	(KA)	Xoserve
Mark Jones	(MJ)	SSE
Michelle Brown	(MB)	Energy Assets
Nicky Kingham	(NK)	Correla on behalf of Xoserve
Peter O'Neill	(PO)	Cadent Gas
Phil Lucas	(PL)	National Grid
Steve Mulinganie	(SM)	SEFE Energy Limited
Talia Lattimore	(TL)	Gemserv (0812R only)
Tom Stuart	(TS)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 January 2023.

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

Please note these minutes do not replicate 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 papers are available at: <https://www.gasgovernance.co.uk/0813/250822>

1.0 Outline of Modification

Phil Lucas (PL) introduced the Modification supported by a presentation.

Context – Slide 2

PL explained that recent events have necessitated consideration of the consequences of a User (Shipper) being subject to sanctions by the UK Government. The Shipper would not be able to

transact with counterparties, and counterparties (including Transporters) would be unable to transact with it.

In the immediate/short term, a User Default may not be triggered however a User Default may subsequently be triggered, for example if the Shipper is unable to make payment or resolve a Code Credit Limit breach

Imbalance Risk: Current Arrangements for a Terminated User – Slide 4

PL explained the current arrangements for a Terminated User.

Imbalance Risk – Potential Gap in the Arrangements – Slide 6

PL explained that recent events have necessitated consideration of the consequences if a Shipper is being subject to sanctions and the immediate imbalance risk under the current arrangements with an explanation of the Termination process and ability for Shippers to transact under a 'Deed of Undertaking'.

Proposed Solution – Slide 6 & 7

PL explained the purpose of the Modification seeks to extend the availability of the 'Virtual Last Resort User' (VLRU) and 'Contingent Procurement of Supplier Demand' (CPSD) provisions in such an event that would facilitate the immediate/short term maintenance, ongoing integrity, and continued operation of the gas transportation arrangement until a new Shipper is in place to deliver.

PL advised that the Modification was discussed in the Transmission Workgroup early August and any discussion/comments received from Distribution Workgroup today would be reverted in the next Transmission Workgroup meeting.

Additional Considerations – Slide 8

The Workgroup was invited to highlight any further impacts on UNC matters. PL confirmed that at the first Workgroup meeting, the CDSP has raised queries in terms of DSC services so the proposal would be likely to modify to include their entitlement to discontinue provision of such to the relevant Shipper.

PL concluded the presentation reflecting that the Modification Panel had determined that there was sufficient materiality associated with the Proposal to require Authority Direction and that a Workgroup Report was required to be issued to the Modification Panel by January 2023.

For details of Modification presentation pack <https://www.gasgovernance.co.uk/0813/250822>

Steve Mulinganie (SM) queried if the mechanism proposed would consider whether the sanction was a relevant sanction, i.e. a sanction that stops the parties transacting in the wholesale gas market. This would be an issue where a shipper or supplier business was part of a wider group that may be sanctioned.

PL confirmed that National Grid will necessarily make an interpretation on what impacts the sanctions may have however as a 'check and balance' the proposal includes opportunity for the Authority to dispute the interpretations. This would be via the existing 'Condition 11(18) Disapproval' process which is an existing mechanism used, for example, in respect of proposed changes to methodology statements.

EF recalled that other Licence conditions contain clauses where the Authority can disagree with a proposal and that these have prescribed time limits in which that disagreement must be lodged although typically these are something like 30 days which may be too long for this sort of situation which calls for an immediate decision. PL reflected that given the nature of the events in question, the timescale for any such disapproval by the Authority would need to be determined on a case-by-case basis.

PL advised that changes intended to be made to the proposal including updates to accommodate the de-registration process for CSS and Non-CSS Supply Points as well as the DSC services point previously discussed.

Tracey Saunders (TS) asked if this Modification would be discussed within this (Distribution) Workgroup for further update before the Workgroup Report is issued to the Modification Panel.

PL confirmed the timeline is likely to allow sufficient time to do so, and could potentially include a review of legal text.

SM commented on difficulties related to the issue of the notice to Users and the implicit deadline in the notice to the Authority commenting that Ofgem normally does not like to be dictated to in terms of having to respond. This could be a problem considering the potentially massive consequences for the parties involved and any decisions may trigger a legal case against National Grid or Ofgem so the concern he has was about the control of deadline.

PL clarified that National Grid had discussed the proposed options with Ofgem and that the proposed approach was favoured amongst those options presented.

SM raised another question whether the sanctions being considered are those imposed by the UK government or whether they may capture sanctions issued by other governments, mentioning that some European companies are now under sanction by the Russian government.

SM also suggested that further clarity be added relating to the mechanisms and timeline for the issue of notices and asked whether the notice would be issued to the party affected or the whole market. PL explained that the notification process would capture the relevant parties.

SM/EF suggested that PL could set out what would happen in different scenarios:

1. Where the Authority does not respond within the timeframe (expired notice).
2. Where the Authority disagrees within the timeframe.
3. Where the Authority agrees within the timeframe.

New Action 0108: National Grid (PL) to determine an approach for each of the above scenarios and further development of the Solution to confirm the parties who will receive notification of the UPTN.

2.0 Shipper Registrations

See above regarding CSS and non-CSS Supply Points

3.0 Interactions with the retail market

See above regarding CSS and non-CSS Supply Points

4.0 Impacts on IGTs

See above regarding CSS and non-CSS Supply Points.

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
10:00 Thursday 01 September 2022	5pm Wednesday 24 August 2022	Microsoft Teams	Assessment within Transmission Workgroup Consideration of Wider Industry Impacts
10:00 Thursday 06 October 2022	5pm Wednesday 28 September 2022	Microsoft Teams	Consideration of Business Rules

10:00 Thursday 03 November 2022	5pm Wednesday 26 October 2022	Microsoft Teams	Review of Relevant Objectives
10:00 Thursday 01 December 2022	5pm Wednesday 23 November 2022	Microsoft Teams	Consideration of Legal Text Development of Workgroup Report

Action Table (as at 25 August 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0108	25/08/22	1.0	National Grid (PL) to determine an approach for each of the above scenarios and further development of the Solution to confirm the parties who will receive notification of the UPTN.	National Grid (PL)	Pending

**UNC Workgroup 0816S Minutes
Update to AQ Correction Processes
10:00 Thursday 25 August 2022
via Microsoft Teams**

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office (Observing)
Aleksandra Cebo	(AC)	EDF
Andy Clasper	(AC)	Cadent Gas
Ben Mulcahy	(BM)	Northern Gas Networks
Brandon Rodrigues	(BR)	ESP Utilities Group
Claire Louise Roberts	(CLR)	Scottish Power
Clare Manning	(CM)	E.ON Energy
David Mitchell	(DM)	SGN
David Reynolds	DR	Northern Gas Networks
Elena Dramceanu	(ED)	SEFE Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla
Gurvinder Dosanjh	(GD)	Cadent Gas
Hursley Moss	(HM)	Cornwall Insight
John Harris	(JH)	Correla (0816S only)
Kate Lancaster	(KL)	Xoserve
Kathryn Adeseye	(KA)	Xoserve
Mark Jones	(MJ)	SSE
Michelle Brown	(MB)	Energy Assets
Nicky Kingham	(NK)	Correla on behalf of Xoserve
Peter O'Neill	(PO)	Cadent Gas
Phil Lucas	(PL)	National Grid
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TS)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0816/250822>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 November 2022

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: www.gasgovernance.co.uk/dist/250822

1.0 Outline of Modification

Clare Manning (CM) introduced the Modification and explained that this Modification was raised followed on from *Modification 0783R – Review of AQ Correction Processes*, which looked at the summary data analysis from Xoserve. It was identified that the existing Code was not being used the way it should be.

The purpose of this Modification is to add two further 'eligible clauses' to the Annual Quantity (AQ) amendment process within TPD G2.3.21 and to prevent AQ amendments being processed where there is no change or the minimalist change in the value to the AQ.

The suggested solution is to add in two further eligible causes which were outlined in the presentation pack.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Consider materiality relating to billing impacts and whether the Modification continues to meet the Self-Governance criteria

CM recommended this Modification is subjected to Self-Governance and advised the UNC Modification Panel has addressed concerns that this could have impacts on IGTs and there is potential for a UNC cross-code Modification.

Steve Mulinganie (SM) raised his concern that this might not be Self-Governance as historically these codes have been used inappropriately and he felt that this has to be considered material and asked if CM could make the case Self-Governance and put a rationale to it but believed that this could still have a material impact.

Tracey Saunders (TS) stated that she raised the challenge at the UNC Modification Panel meeting as she believes the Modification would impact billing and allocation of AQ.

Ellie Rogers (ER) explained that whether the Modification is Authority Direction or Self-Governance would depend on how those new codes were treated; what the rules are and how they are used. There has been analysis on the current processing and discussions on creating new codes and how they would work. If this could be easily managed it could be Self-Governance.

ER suggested validation should be discussed at Workgroup in order to assure people of the most efficient working process. Workgroup should consider what would be the logical solution for Xoserve to build potentially into their processes. ER suggested Workgroup to feed into Workgroup their evidence to discussed for the next meeting.

EF suggested that the Performance Assurance Committee (PAC) would be involved in the monitoring, though not in the front-end of the process.

Fiona Cottam (FC) stated that there is an existing Performance Assurance Committee report of all AQ Corrections. It was requested that FC provides a view of this report at the next meeting.

FC to research and identify the recent code project and report back

New Action 0108: E.On Next (CM) to review Business Rules (BR) and update the Workgroup at the September meeting.

New Action 0208: Correlá (FC) to provide a view of the AQ Corrections PAC Report for the September meeting.

2.2. Initial Representations

Not discussed

2.3. Terms of Reference

Not discussed

3.0 Next Steps

EF confirmed the next steps to be:

- CM to review Business Rules.
- A view of the PAC AQ Correction Report to be provided

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
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

Action Table (as at 25 August 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0108	25/08/22	2.1.1	E.On Next (CM) to review Business Rules (BR) and update on Modification for discussion in October meeting.	E.On Next	September 2022	Pending
0208	25/08/22	2.1.1	Correla (FC) to provide a view of the AQ Corrections PAC Report for the September meeting.	Correla (FC)	September 2022	Pending