

UNC Distribution Workgroup Minutes
Thursday 28 October 2021
via Microsoft Teams

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alison Tann	(AT)	National Grid
Anne Jackson	(AJ)	IGT (0784S only)
Carl Whitehouse	(CW)	Shell Energy
Claire Louise Roberts	(CLR)	Scottish Power
Clare Manning	(CM)	E.ON Energy
David Addison	(DA)	Xoserve
Dan Fittock	(DF)	Corona Energy
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve (0781R and 0782 only)
James Knight	(JK)	Centrica
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyar	(LH)	Totalenergies Gas & Power
Mark Field	(MF)	Sembcorp Energy UK
Marion Joste	(MJ)	ENI
Martin Attwood	(MA)	Correla on behalf of Xoserve (0763R only)
Neil Cole	(NC)	Correla on behalf of Xoserve (0781R and 0782 only)
Ryan Prince	(RPr)	Northern Gas Networks
Shiv Singh	(SS)	Cadent
Steven Britton	(SB)	Cornwall Insight
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dist/281021>

1. Introduction and Status Review

Rebecca Hailes (RH) welcomed everyone to the meeting.

1.1. Approval of Minutes (23 September 2021)

The minutes from the previous Distribution Workgroup were approved.

1.2. Approval of late papers

AR confirmed there are no late papers.

1.3. Review Outstanding Actions

0701: RHa to engage with Ofgem's Cross Code Steering Group and Xoserve (DA) to understand the requirement for a Micro Business Identifier.

Update: Deferred to November 2021. **Carried Forward.**

0901 Joint Office (RHa) to chase Ofgem for more regular updates either written or by attending Workgroup.

Update: Deferred to November 2021. **Carried Forward.**

1.4. Modifications with Ofgem

Referring to the Ofgem publication dates timetable, available at: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>, AR provided the following update:

- *Modification 0687 – Creation of new charge to recover Last Resort Supply Payments*
Decision expected end October 2021
- *Modification 0696V – Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs*
This modification has been deprioritised. A decision date (TBC) will be made available in due course.
- *Modification 0746 - Clarificatory change to the AQ amendment process within TPD G2.3*
This modification has been deprioritised. A decision date (TBC) will be made available in due course.

1.5. Pre-Modification discussions

None

2. Workgroups

2.1. **0734S – Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers**

(Due to report to Panel 18 November 2021)

<https://www.gasgovernance.co.uk/0734>

2.2. **0763R - Review of Gas Meter By-Pass Arrangements**

(Due to report to Panel 21 October 2021)

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

2.3. **0781R - Review of the Unidentified Gas Process**

(Due to report to Panel 21 April 2022)

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

2.4. **0782 – Creation of Independent AUGE Assurer (IAA) role**

(Due to report to Panel 17 February 2022)

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

2.5. **0784 – Transition to the Central Switching Service and the Retail Energy Code v3.0**

(Due to report to Panel 17 February 2022)

<https://www.gasgovernance.co.uk/0784>

3. CSS Consequential Changes – Detailed Design Report

DA provided a brief update on the Ofgem Faster Switching Programme Significant Code Review (SCR) (REC v3). 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, 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/dist/281021.

Purpose

DA explained this version of the text is a minor update of the UNC version that was submitted to Ofgem on 31 March 2020 but noted that the amendment had previously discussed at an earlier Distribution Workgroup.

How text compiled

DA advised the actual SCR version will be based on UNC text that will be in place on a code freeze date of 28 February 2021, this has been approved to include yet to be implemented modifications that will be implemented before CSS implementation.

Content

There will be a review of 31 March 2020 text which includes UNC TPD Section B; G (Annex G-1); M; V and GT-D.

Programme Transition will be dealt with via *Modification 0784 - Transition to the Central Switching Service and the Retail Energy Code v3.0*.

TPD to GT-D

Modification 0697VS - Alignment of the UNC TPD Section V5 and the Data Permissions Matrix moved elements of the Data Permissions Matrix (DPM)

DA urged Steve Mulinganie (SM) and Tracey Saunders (TS) to review the text changes.

Conclusions

Only limited changes to UNC TPD Section B; G; G-1; M and previous amended sections (including GT-D) are required to coincide with the introduction of REC v3.0.

Not included in the SCR

- UNCVR (Validation Rules) changes to incorporate the Inner Tolerance Range application extracted from 31/03/20 version
 - Oct 21 Update: Amendments to UNCVR have been presented to workgroup
- Draft and agree CSS / Non-CSS UNC transitional documentation
- DSC Changes will be done via the DSC processes
- Modification for Transition
 - Oct 21 Update: 0784 raised and presented to workgroup
- Modification for adding the RECCo Performance Assurance Manager to the Data Permissions Matrix
 - Oct 21 Update – UNC 0762S / IGT UNC 155 implemented 12th July 2021

Workgroup agreed to keep this item on the agenda to move it so that it is considered earlier on the agenda.

4. Issues

None raised.

5. Any Other Business

None raised

6. Diary Planning

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

HB highlighted the date that the December 2021 Distribution Workgroup will be held, Monday 13 December 2021, and advised this is due to the Christmas period where all UNC business is held within the first 3-weeks of the month of December.

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 25 November 2021	5pm 16 November 2021	Microsoft Teams	Standard Agenda
Monday 10:00 13 December 2021	5pm 02 December 2021	Microsoft Teams	Standard Agenda

Action Table (as of 28 October 2021)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0701	22/07/21	1.3	RHa to engage with Ofgem's Cross Code Steering Group and Xoserve (DA) to understand the requirement for a Micro Business Identifier.	September 2021	Joint Office (RHa)	Carried Forward
0901	23/09/21	1.4	Joint Office (RHa) to chase Ofgem for more regular updates either written or by attending Workgroup.	October 2021	Joint Office (RHa)	Carried Forward

UNC Workgroup 0734S Minutes Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers

Thursday 28 October 2021

via Microsoft Teams

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Louise Hellyar	(LH)	Totalenergies Gas & Power
Mark Field	(MF)	Sembcorp Energy UK
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Shiv Singh	(SS)	Cadent
Steven Britton	(SB)	Cornwall Insight
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0734/281021>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 November 2021.

1.0 Introduction and Status Review

1.1. Approval of Minutes (23 September 2021)

The minutes were approved.

1.2. Approval of Late Papers

There were late papers, however, AR advised Workgroup that if they are not considered there would be very little to progress in this meeting, the late papers refer to minor changes to the Business Rules in the Modification and the Legal Text.

1.3. Review of Outstanding Actions

0602: Xoserve (DA) to provide narrative to develop the zero-incrementing read issue for considering whether this is covered within Guidance or UNC

Update: Dave Addison (DA) advised this topic has been a long running theme throughout Workgroup discussions and is now covered in the Legal Text. **Closed**

0801: SM to review paragraph E3.5 to check that it is not conflicting with REC

Update: Steve Mulinganie (SM) advised this paragraph has been removed and resolved in the legal text drafting. **Closed**

0802: SM to review the preferred Legal Text and check against the Business Rules for any final amendments

Update: SM advised this has been completed and a further amendment is required. **Closed**

0803: Xoserve (DA) to look at system options in terms of solution implementation

Update: DA advised this relates to an implementation timeline and will be captured in the Workgroup Report and is included in the Rough Order of Magnitude (ROM) options. **Closed**

2.0 Amended Modification and Review of Business Rules

SM advised Workgroup that a minor amendment has been made to the Modification which is now v6.0 and dated 26 October 2021. He clarified that during a review of the Legal Text and the Business Rules in the Modification, it was identified that an extra Guidance Note was needed against Business Rule 2:

Business Rule 2: For the avoidance of doubt if the correction is not objected to this will result in the previous claim being withdrawn and the CDSP will act accordingly.

Guidance 3: Supplier For the avoidance of doubt a Confirmed Energy Theft Correction will need, if energy is subsequently required to be put into settlement, to be followed with by a Confirmed Energy Theft Claim i.e. having submitted a Correction the Supplier will then have to then submit a Energy Theft Claim

SM advised that a further review of the Legal Text and the Business Rules has since highlighted that the process described as a *correction* is effectively a *termination*. Agreement between the Legal Text provider, David Mitchell (DM) Xoserve (DA) and the Proposer (SM) concluded that the Legal Text and the Modification should include revised terminology, and this would involve replacing the word *correction* with the word *termination*.

SM verified that, even if this does delay the Modification reporting to the November 2021 UNC Modification Panel, the goal is to reflect this properly so that it reads correctly and concurred with the SGN Lawyer's view that the word *termination* is a better use of language rather than *correction*.

SM added that whilst he appreciates this is late in the Workgroup discussions, the existing theft reporting process is still available to be used, it therefore, feels like the right thing to do.

SM confirmed he will make the necessary amendment to the Business Rules within the Modification and will submit his amendment in due course.

New Action 0110: Proposer (SM) to submit an amended Modification to incorporate the word change of *correction* to *termination* within the Business Rules.

New Action 0210: DM to provide final Legal Text which will also include the removal of questions that are outstanding in the Explanatory Table.

DM reassured Workgroup that that the Proposer (SM); Xoserve (DA) and Legal Text provider (DM) have reviewed the Legal Text several times.

3.0 Consideration Legal Text

See Agenda item 2.0.

4.0 Completion of Workgroup Report

In undertaking a review of the Workgroup Report, Version 1.1 dated 26 October 2021, AR confirmed the report now reflects the amendments made to the latest version of the Modification (v6.0 dated 26 October 2021).

AR confirmed that a recommendation will be presented to the November UNC Modification Panel requesting that, due to a late variation to the Modification and Legal Text for the Panel to return the Report to Workgroup for a further month for completion.

AR invited Ellie Rogers (ER) to provide an overview of the ROM, (provided late for Workgroup) to add further clarification around the implementation of Modification 0734S.

ER advised that the proposal is to deliver the solution in two parts, an interim and an enduring solution and clarified the costs and timescales for Interim Solution.

Interim Solution

ER explained the long-term proposal is for the enduring solution to be incorporated into the CMS Rebuild Program that is ongoing at the moment. In light of the fact there is an aspiration to implement these arrangements earlier than CMS is concluded, there is an interim solution which will involve updates to the existing CMS system

CMS Rebuild Enduring Solution

ER advised, as the CMS Rebuild is still ongoing, Xoserve are unable to provide cost estimate for the Enduring Solution although discussions have started regarding DSC Direct Funding or a DSC Subscription Funded route.

ER confirmed that Modification 0734S will be included in the scope of the CMS Rebuild Program and will be funded by either DSC direct funding or DSC subscription route.

Timescales

DA advised he is keen to start work on the Interim Solution and is working on a paper to submit to the DSC Change Management Committee to seek approval to start the build of the Interim Solution, (at risk), to aim for an April 2022 implementation.

Workgroup agreed that a Workgroup recommendation in support of commencement of build at risk can be included in the paper to the DSC Change Management Committee.

When SM sought clarity, ER confirmed, for the purpose of this Interim, pre-CMS solution, the costs are up to £175k with an ongoing cost of £6k / month until the CMS Rebuild.

5.0 Next Steps

AR confirmed the next steps to be:

- SM to provide an amended Modification, (v7.0)
- DM to provide updated Legal Text
- Legal text will be reviewed at the November 2021 meeting.
- Finalise Workgroup Report

New Action 0310: Workgroup to review the Legal Text, published 28 October 2021, ahead of the next Workgroup meeting in November 2021 and pass any comments to Dave Mitchell, SGN.
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6.0 Any Other Business

None

7.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Publication Deadline	Venue	Programme
Thursday 10:00 25 November 2021	5pm 16 November 2021	Microsoft Teams	Standard Agenda

Action Table (as of 28 October 2021)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0602	24/06/21	2.0	Xoserve (DA) to provide narrative to develop the zero-incrementing read issue for considering whether this is covered within Guidance or UNC.	July September October 2021	Xoserve (DA)	Closed
0801	26/08/21	3.0	SM to review paragraph E3.5 to check that it is not conflicting with REC	September October 2021	Gazprom Energy (SM)	Closed
0802	26/08/21	3.0	SM to review the preferred Legal Text and check against the Business Rules for any final amendments.	September October 2021	Gazprom Energy (SM)	Closed
0803	26/08/21	6.0	Xoserve (DA) to look at system options in terms of solution implementation	September October 2021	Xoserve (DA)	Closed
0110	28/10/21	2.0	Proposer (SM) to submit an amended Modification to incorporate the word change of <i>correction</i> to <i>termination</i> within the Business Rules	November 2021	Gazprom Energy (SM)	Pending
0210	28/10/21	2.0	DM to provide final Legal Text which will also include the removal of questions that are outstanding in the Explanatory Table	November 2021	SGN (DM)	Pending
0310	28/10/21	5.0	Workgroup to review the Legal Text, published 28 October 2021, ahead of the next Workgroup meeting in November 2021 and pass any comments to Dave Mitchell, SGN	November 2021	Workgroup	Pending

**UNC Workgroup 0763R Minutes
Review of Gas Meter By-Pass Arrangements
Thursday 28 October 2021
via Microsoft Teams**

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alison Tann	(AT)	National Grid
Carl Whitehouse	(CW)	Shell Energy
Claire Louise Roberts	(CLR)	Scottish Power
Clare Manning	(CM)	E.ON Energy
David Addison	(DA)	Xoserve
Dan Fittock	(DF)	Corona Energy
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
James Knight	(JK)	Centrica
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyar	(LH)	Totalenergies Gas & Power
Mark Field	(MF)	Sembcorp Energy UK
Marion Joste	(MJ)	ENI
Martin Attwood	(MA)	Correla on behalf of Xoserve (0763R only)
Ryan Prince	(RPr)	Northern Gas Networks
Shiv Singh	(SS)	Cadent
Steven Britton	(SB)	Cornwall Insight
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0763/281021>

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

1.0 Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting.

1.1. Approval of Minutes (23 September 2021)

The minutes from the previous Workgroup were approved.

1.2. Approval of Late Papers

No late papers to consider.

1.3. Review of Outstanding Actions

0801: Shippers to report back their findings from the track and trace exercise to see if there is any commonality. Report back September 2021.

Update: Tracey Saunders (TS) advised that other Industry wide priorities have superseded this exercise, therefore there has been very little progress, however a brief update is provided in agenda item 2.1 Further Analysis. **Carried Forward**

2.0 Consideration of Request

2.1 Review Further Analysis

The Proposer, Claire Louise Roberts (CLR) advised Workgroup that she is awaiting the scenario update and the financial risk associated with the status of outstanding actions and investigations.

TS advised she has reached out to Meter Asset Managers (MAMs) as well as Shippers but has received only one MAM response. TS further clarified that the MAM advised that they are finalising a system update and implementing some new processes which will then enable them to re-process all the ONJOB flows. Workgroup considered this and suggested that this could indicate that some process and system issues currently exist.

Workgroup considered if this Review might need to be a wider group than just UNC and TS suggested that this could require Retail Energy Code (REC) involvement, (as governance of MAM activities falls under the remit of REC).

Steve Mulinganie (SM) agreed there could be a compliance issue and advised Workgroup there is a Metering Expert Group within REC meetings and offered to raise this as an agenda item at the next one to establish who needs to be involved, in recognition that it is not a UNC matter if MAMs are not compliant.

AR clarified there appears to be 3 issues:

1. MAMs checking with Networks when they propose to install a bypass
2. Correct updating of central systems using ONJOB flows to record if a bypass is fitted
3. Recording when a bypass is opened, and subsequently recording its closure and submitting a consumption adjustment

Workgroup agreed there are a number of stakeholders involved in the Bypass Lifecycle process, some are UNC, but others are REC, although it was noted that the UNC is the recipient of the information. Accordingly, Workgroup concluded that the Meter Asset Manager Code of Practice (MAMCOP), and the REC should be included in any process review.

New Action 0110: *Workgroup concluded Meter Asset Manager Code of Practice (MAMCOP), and REC are also involved. SM to raise this at the next Metering Expert Group and invite someone from that group to attend the next 0763R Workgroup.*

Martin Attwood (MA) advised, in relation to a Performance Assurance Committee (PAC) recommendation, he has been coordinating requests for consumption adjustments and provided a summary of his findings so far and noted that he is unsure how long this needs to be captured for:

Of 135 requests issued, 115 responses have been received so far, 2 of which have resulted in a Consumption Adjustment being submitted and invoiced.

CLR noted that the main concern for this Request is the misuse of meter bypasses, however, the analysis does not seem to support that.

This concluded the October 2021 0763R Workgroup discussion.

2.2 Review Data Cleansing Requirements

2.2.1. Meter By-Pass Analysis Update

No further discussion.

2.2.2. Data Cleansing

No further discussion.

2.2.3. Review of End-to-End Process

No further discussion.

3.0 Next Steps

- SM to raise this at the next Metering Expert Group and invite a representative from that group to attend the next 0763R Workgroup.
- As this Request is due to report to the January 2022 UNC Modification Panel, AR advised he would request a further 3-months extension to allow cross-code aspects to be reviewed in more detail when considering an end-to-end process issue which involves REC and MAMCOP.

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
10:00 Thursday 25 November 2021	5pm 16 November 2021	Microsoft Teams	TBC
10:00 Thursday 13 December 2021	5pm 02 December 2021	Microsoft Teams	TBC

Action Table (as of 28 October 2021)

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0801	26/08/21	1.3	Shippers to report back their findings from the track and trace exercise to see if there is any commonality. Report back September 2021	September 2021	Transporters/ Shippers	Carried Forward
0110	28/10/21	2.1	<i>Workgroup concluded Meter Asset Manager Code of Practice (MAMCOP), and REC are also involved.</i> SM to raise this at the next Metering Expert Group and invite someone from that group to attend the next 0763R Workgroup	November 2021	Gazprom Energy (SM)	Pending

UNC Workgroup 0781R Minutes
Review of the Unidentified Gas process
Thursday 28 October 2021
via Microsoft Teams

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alison Tann	(AT)	National Grid
Carl Whitehouse	(CW)	Shell Energy
Claire Louise Roberts	(CLR)	Scottish Power
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Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0781/281021>

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

1.0 Outline of Modification

Gareth Evans (GE) provided a presentation explaining that this Request is proposing a review of the process for allocating Unidentified Gas.

GE explained to Workgroup that the Unidentified Gas process is an extremely contentious process therefore it is necessary to make sure any residual gas is dealt with; settlement errors will be included in the Review and that the whole process has not been looked at for some years.

Scope

GE noted that input will be required from the Allocation of Unidentified Gas Expert (AUGE); CDSP; Shippers and Transporters. Also to look outside of Uniform Network Code (UNC) and possibly look at REC.

GE proceeded to walk through the material provided for the meeting. The presentation covered the following main topics. Where there was specific interaction regarding particular slides with the Workgroup, this has been captured within the minutes for each section of the presentation, and full details can be found on the published presentation here:

When Steve Mulinganie asked if the review will include (Demand) “Model Error” which is used to derive consumption (downstream shrinkage conceptually), GE agreed that it was included.

GE explained that he has identified nine different options as follows:

Uniform Allocation (by LDZ)

GE explained this option would allocate UIG to all throughput equally.

Dave Morley (DMo) asked for the Workgroup to consider the Ofgem decision letter on *Modification 0229 – Mechanism for correct apportionment of unidentified gas* as part of the Review.

Note: the Ofgem decision letter for Modification 0229 *Modification 0229 – Mechanism for correct apportionment of unidentified gas* has been published here: www.gasgovernance.co.uk/0781.

It was suggested as part of Workgroup Review, the following should be looked at:

- Market evolution when considering downstream shrinkage, look at what components can be removed.
- Gain granularity and strip out a lot of Model Error.
- Look back to why decisions were made but also technology has moved forward and that previous assessments need to be resurrected and re-tested in the current environment .

Static Model

For a Static Model, GE explained the AUGE process would be discontinued and replaced with a static model that Xoserve would manage which would operate unchanged except via an industry process (e.g. UNC modification).

When asked GE clarified this would be a new set of static weighting factors.

GE advised there are some underlying assumptions for this option such as:

- LDZ apportionment;
- A residual amount that has to be managed, for example, settlement error; model error; leakage.

Static model (with regular audit)

GE advised the AUGE process would be discontinued and replaced with a static model that Xoserve would manage which would operate unchanged except via an industry process (e.g. UNC Code change). There would be a requirement for an annual audit.

Utilise existing industry datasets

GE explained this option would be utilised for determining levels and proportions of UIG, with data used to update the model. An example of this would be industry theft reporting which has significantly improved since the inception of the AUGE concept in 2009.

GE clarified DNV and Engage took industry data and added their own appropriate adjustments.

SM noted there is something that is called 'Found Theft', and Theft that is not found requiring the AUGE to make a determination on the quantity unfound theft. Consequently, the unknown becomes subjective and based on how the AUGE goes about determining what the value of the unknown theft is.

GE confirmed that this option removes that unknown feature. If there are errors in the data, they would be reflected in the UIG allocations.

Utilise existing industry datasets with (AUGE top-up)

GE explained this option would use existing industry datasets for determining levels and proportions of theft where appropriate. The AUGE role would then be limited to identifying areas of UIG which cannot be derived from industry datasets.

Balancer of last resort

GE advised this option aggregates UIG losses for each LDZ and allocates them to a "Balancer of Last Resort" with the costs of the new third-party being recovered from the industry.

GE advised this came up a couple of years ago where it was considered taking the variability of individual shipper UIG costs and giving it wholesale to separate single party.

This modification, if raised, will require all losses, not allocated directly via a customer, to go to third-party (shipper) who would then buy the gas, e.g one large player buying the gas on behalf of everyone with the corresponding downside for certain individual Shippers that they lose the ability to manage this cost.

DmO said if there have been previous conversations regarding this type of option, could the Workgroup review the outcome of those conversations.

Smoother transition of scaling factor changes

GE advised this option would mean the annual AUGE process would continue, but any changes to scaling factors would be smoothed over a period of years, (say 3 years).

GE explained how the scaling factors over a 3-year period could be used on an averaging basis. (rather than ignoring the previous years factors on a year-by-year basis).

UIG framework responsibility of sub committee

GE advised that under this option, UIG management would be formally controlled by a sub-committee committee who would be responsible for setting values and managing the model. This could be achieved by mirroring the current DESC process.

GE noted this would mean the creation of a formal sub-committee which would have responsibility of producing scaling factors in their own right and managing the model.

DmO asked if a similar outcome be achieved by expanding the budget of the AUGÉ.

Louise Hellyar (LH) suggested there could be a hybrid, where the sub-committee can do analysis or whatever requested by the Workgroup.

LH offered a different option where a flat volume is determined, creating a pence / meter charge, with UIG overlaid on top as a balancing volume, with the overall charge being proportional to numbers of meter points.

DmO asked, from the last time this was discussed, which option is closest to Electricity losses as there are huge numbers of electricity losses. GE advised the closest equivalent is the group correction factor.

There is a mechanism in which you can change the group correction factors with no annual requirement to review.

If the Workgroup intends to consider Electricity losses, GE advised he could invite Elexon to attend this meeting. He added in terms of options, it fits closest to the static model (with regular audit).

SM said that if everyone with AMR and Smart had to be daily read the Demand Model Error and reconciliation would disappear. Unregistered sites would decrease too.

New Action 0110: GE to provide for Workgroup how market changes would factor into this group

2.0 Initial Discussion

2.1. Issues and Questions from Panel

None raised.

2.2. Initial Representations

None received.

2.3. Terms of Reference

The standard UNC Workgroup Terms of Reference will apply and is available at www.gasgovernance.co.uk/mods

3.0 Next Steps

AR confirmed the next steps to be:

- GE will produce a table of options for each suggestion
- Provide a deeper dive into some of the options
- Assess where opinion seems to be settling

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
10:30 Thursday 25 November 2021	5pm Tuesday 16 November 2021	Microsoft Teams	<ul style="list-style-type: none"> Standard Agenda

Action Table (as at 28 October 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0110	28/10/21	2.2	GE to provide for Workgroup how market changes would factor into this group.	Gareth Evans (GE)	Pending

UNC Workgroup 0782 Minutes
Creation of Independent AUGE Assurer (IAA) role
Thursday 28 October 2021
via Microsoft Teams

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alison Tann	(AT)	National Grid
Anne Jackson	(AJ)	IGT (0784S only)
Carl Whitehouse	(CW)	Shell Energy
Claire Louise Roberts	(CLR)	Scottish Power
Clare Manning	(CM)	E.ON Energy
David Addison	(DA)	Xoserve
Dan Fittock	(DF)	Corona Energy
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve (0781R and 0782 only)
James Knight	(JK)	Centrica
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyar	(LH)	Totalenergies Gas & Power
Mark Field	(MF)	Sembcorp Energy UK
Marion Joste	(MJ)	ENI
Neil Cole	(NC)	Correla on behalf of Xoserve (0781R and 0782 only)
Ryan Prince	(RPr)	Northern Gas Networks
Shiv Singh	(SS)	Cadent
Steven Britton	(SB)	Cornwall Insight
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0782/281021>

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

1.0 Outline of Modification

Gareth Evans (GE) noted that this Modification is proposing to create an Independent AUGE Assurance (IAA) role to verify that the output of the Allocation of Unidentified Gas Expert (AUGE) process complies with the “Framework for the Appointment of an Allocation of Unidentified Gas Expert”. The Uniform Network Code Committee (UNCC) will be required to act on any material non-compliance that is identified by the IAA.

GE explained that the proposal was that the IAA would be able to review and audit the work and assumptions made by the AUGE as well as address any concerns around their work. GE added that a formal escalation process to the UNCC was also being proposed.

On behalf of the Proposer (Dan Fittock (DF)) GE provided a presentation covering the following main topics. Where there was specific interaction regarding particular slides with the Workgroup, this has been captured within the minutes for each section of the presentation, and full details can be found on the published presentation here: [Modification 782 presentation](#)

Solution

GE explained there are two key aspects to the solution:

1. Creation of a new role, the IAA, would be appointed by tender which would be run by CDSP. This role will be responsible for determining whether the AUGE has fully complied with the Framework during the creation of the AUGE Statement, directing remedial actions where it believes there are material non-compliances and providing a report setting out its work for the year. This would likely result in changes to the AUGE contract.
2. The UNCC will have the explicit obligation of considering any remedial actions where requested, overriding any formal direction by the IAA through a simple majority vote. The view of the proposer was that the UNCC should determine how it discharges this obligation.

GE clarified that the CDSP have confirmed there are aspects of the existing AUGE contract that may be re-opened and adjusted should the need arise

“What this is not”

GE provided clarity that the IAA role is **not** proposed to be:

- **A passive auditor** of the process as this would not provide a mechanism for addressing concerns as this would add very little to existing process
- **An AUGE 2.0.** The IAA would not be procuring data or mirror running the methodology to create a second set of scaling factors as this does not resolve the potential issue of an AUGE Statement not delivering the Framework document and would simply result in two sets of values which inevitably will result in winners being picked for their financial benefit, not whether they are better

“Timeline”

GE explained the IAA role is seen as a continuous process, with regular interaction with AUGE as it works through the production of the statement. The IAA would be expected to engage with the AUGE during development of methodology and would primarily align with the internal work schedule of the AUGE and periodically report to industry in line with the AUG timetable.

Questions arising from the presentation

Q1 David Morley (DMo) enquired what the cost would be if the contract with the AUGE was terminated.

A GE: that is for Xoserve and / or DSC Contract Management Committee to advise.

FC advised there is a cost discovery element to the impact of this but advised she is not planning to do anything just yet as AUGE would need to decide how the new arrangement would be accommodated.

SM said there is a counter argument in that contracted parties need to consider if there is any impact to their contract. FM agreed but advised she would have opening discussions with the AUGE when there is something to present to them.

It was noted there will also be a need to look at the contractual practicalities in terms of development in the modification of contractual required versus what would be left to discretion in terms of the development of the contract.

Ellie Rogers (ER) commented that Compliance needs to be in the Modification and the actual role defining the scope of the IAA to facilitate the CDSP's procurement.

Q2 DMO enquired how the IAA could perform their role if they do not have access to any data.

GE responded that the IAA do not need to look at line-by-line data in order to have a view of whether the data the AUGE is using is appropriate. He added the IAA should not need to go through the data line-by-line as that level of granularity would not be required and added that the AUGE would be required to provide a description of the data is being used and its source.

When DA suggested there would need to be a Job Role Specification created at the end of this process, GE advised he is happy to work with CDSP to work on that.

DF clarified that, as Proposer, it is not his intention to look at modifying the Framework. That is out of scope of the Modification.

Q3 DMO questioned when the Framework review took place, it took quite some time and enquired why it was not made clear at the time, (2010 to 2015)

SM advised that under the previous arrangements, at that time, it was sufficiently clear and acceptable to all parties, whereas under the current arrangements that is not the case.

AR enquired if the introduction of an IAA was simply just a mechanism to force the AUGE to the table and does it lead to a requirement for arbitration.

GE responded that the AUGE would have the right of appeal against IAA instructions by requesting a ruling from the UNCC.

When GE asked why the Dispute Terms of the AUGE contract are not accessible to UNC parties, DA advised he was unsure why this was the case.

SM noted his concern that there are two contracting parties to the AUGE contract and UNC parties are not one of them. AR responded that this is a feature of the current Code where CDSP are given Code responsibilities but not party to it.

Q4 DMO enquired if there a dispute process in the electricity industry.

The response was that there is a mechanism for review the electricity equivalent of the allocation of a case-by-case basis.

There then followed a discussion in relation to the Framework, to the extent that it is sufficiently clear and whether or not it should include more detail and guidance for the AUGE.

DA expressed a view that Framework, should be exactly that, and that the AUGE, by very appointment being the expert, should have a degree freedom to deliver the output while observing the imposed timeline, and associated checkpoints.

GE advised he expects the IAA to have every access with the AUGE rather than at steps in timeline as it has to be flexible approach for it to work.

GE agreed that the checkpoints could provide a framework for the IAA to express its views as to how the AUGE is performing and added failure to perform or adhere should result in financial consequences for the AUGE.

A further discussion revolved around the need to amend the Framework, alongside the Modification Legal Text

Despite earlier statements to the contrary, a general concern was raised that the Framework may need to be amended. It was asked if the Framework is clear in terms of the IAA interaction with the AUGE and whether the scope of the IAA role should be included alongside that of the AUGE to provide context.

GE reiterated his concern that this could open the Framework to a rewrite by the Workgroup and would undermine the simpleness of the assurance role being created and, as such saw the Framework document as out of scope.

This concluded the Workgroup discussion for October 2021.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

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

Workgroup are yet to consider this Panel question.

2.2. Initial Representations

Citizen Advice:

It is unclear why the material issue of 0782 is not included as part of the issues to be reviewed under 0781R when 0781R is intended as an extensive review - especially as both Modifications are proposed by the same proposer.

As the issue in 0782 is a proposal which could be considered within 0781R, there appears a high risk that progressing both Modifications would lead to a duplication of work for all parties involved. The advancement of 0782 also presupposes any potential discussions that would take place in the workgroup of 0781R.

Both Modifications progressing simultaneously appears to be an ineffective use of panel, JO and industry time and resources.

2.3. Terms of Reference

As matters have been referred from Panel, and Joint Office are in receipt of an initial representation from Citizen Advice, a specific Terms of Reference will be published alongside the Modification at <http://www.gasgovernance.co.uk/0782>

3.0 Next Steps

AR confirmed that Panel Questions and the Initial Representation will be considered at the next Workgroup.

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 25 November 2021	5pm 16 November 2021	Microsoft Teams	Standard Agenda
Monday 10:00 13 December 2021	5pm 02 December 2021	Microsoft Teams	Standard Agenda

Action Table (as at 28 October 2021)

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

UNC Workgroup 0784S Minutes
Transition to the Central Switching Service and the Retail Energy Code v3.0
Thursday 28 October 2021
via Microsoft Teams

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alison Tann	(AT)	National Grid
Anne Jackson	(AJ)	IGT
Carl Whitehouse	(CW)	Shell Energy
Claire Louise Roberts	(CLR)	Scottish Power
Clare Manning	(CM)	E.ON Energy
David Addison	(DA)	Xoserve
Dan Fittock	(DF)	Corona Energy
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Ellie Rogers	(ER)	Xoserve
James Knight	(JK)	Centrica
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyar	(LH)	Totalenergies Gas & Power
Mark Field	(MF)	Sembcorp Energy UK
Marion Joste	(MJ)	ENI
Ryan Prince	(RPr)	Northern Gas Networks
Shiv Singh	(SS)	Cadent
Steven Britton	(SB)	Cornwall Insight
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0784/281021>

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

1.0 Outline of Modification

David Addison (DA) presented this Modification, explaining that it details the transitional arrangements that will be required to be included into the UNC in order to implement the Central Switching Service (CSS) and transition to the Retail Energy Code version 3.0 (REC v3). This Modification will assist the technical transition of mastering certain data items (including those required for Registration) from UNC to REC.

DA provided an overview of the Solution section and highlighted the day of implementation is yet to be defined although documentation has assumed to date that the Go-Live day will be a Monday. It was noted that requires formal confirmation. DA added that Xoserve will need to define a term for Modification development (which will not be confirmed until January 2022 and may be subject to change) so working assumption is “CSS Implementation Date” (CSSID).

DA noted that if the CSSID is not a Monday, then due to deltas of data between CSS and Xoserve it is likely that the immediately preceding Business Day(s) would need to be declared as Non-Effective Days and this would likely impact timings proposed within the Modification.

DA advised that Appendix 1 provides the detailed analysis of the transactional rules and advised that the yellow colouring to the Business Rules, listed in the table, indicate where Legal Text is expected within the Transitional Rules and the blue colouring indicates no Legal Text is expected. DA clarified he is not planning to reference elements that do not require a change to UNC text.

DA noted that the proposal accommodated non-CSS supply points and Anne Jackson (AJ) (IGT) asked if this process is the same for IGT. DA advised that he was unclear on the materiality of non-CSS sites for IGTs and noted that shared supply arrangements in particular may need some further investigation.

AJ noted that it is her understanding that all IGT sites would transfer to CSS. DA advised that if there are any implications for IGT registrations, he will work through those. He advised he will discuss IGT implications offline with AJ.

SM referred Transporter registrations and asked which one's DA had in mind, noting that in REC everything is Supplier driven, DA advised that mutually agreed transporter registrations are facilitated in CSS and referred to the requirement in *Modification 0424 - Re-establishment of Supply Meter Points – prospective measures to address Shipperless sites*, and *0425V - Re-establishment of Supply Meter Points – Shipperless sites*.

New Action 0110: *Transporter Registrations - Xoserve (DA) to provide an explanation of how this will be dealt with for the next meeting in November 2021.*

It was noted that this Workgroup should be listed first on the next Distribution Workgroup agenda.

AR clarified that Ofgem are keen that this Modification is presented to the January 2022 UNC Modification Panel, and prompted DA to liaise with the Proposer, Cadent, to start working on the Legal Text.

New Action 0210: DA to liaise with Proposer, Cadent, to start working on the Legal Text.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

None raised.

2.2. Initial Representations

None received.

2.3. Terms of Reference

The standard UNC Workgroup Terms of Reference will apply and is available at www.gasgovernance.co.uk/mods

3.0 Next Steps

AR confirmed the next steps to be:

- DA to provide an explanation of how the Transporter Registrations will be dealt with at the next meeting in November 2021.
- DA / Cadent to commence work on the legal text as soon as practicable

4.0 Any Other Business

None.

5.0 Diary Planning

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

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Thursday 10:00 25 November 2021	5pm 16 November 2021	Microsoft Teams	Standard Agenda
Monday 10:00 13 December 2021	5pm 02 December 2021	Microsoft Teams	Standard Agenda

Action Table (as at 28 October 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0110	28/10/21	1.0	<i>Transporter Registrations</i> - Xoserve (DA) to provide an explanation of how this will be dealt with for the next meeting in November 2021.	Xoserve (DA)	Pending
0210	28/10/21	1.0	Xoserve (DA) to liaise with Proposer, Cadent, to start working on the Legal Text.	Xoserve (DA)	Pending