

**UNC Workgroup 0719R Minutes  
Calculation of Energy Value of Gas  
Monday 03 August 2020  
via Microsoft Teams**

**Attendees**

|                        |      |                        |
|------------------------|------|------------------------|
| Alan Raper (Chair)     | (AR) | Joint Office           |
| Helen Cuin (Secretary) | (HC) | Joint Office           |
| Ben Hanley             | (BH) | Northern Gas Networks  |
| Catherine Lister       | (CL) | Wales & West Utilities |
| David Mitchell         | (DM) | SGN                    |
| Hilary Chapman         | (HC) | SGN                    |
| Jeanette Gregory       | (JG) | Cadent                 |
| Joel Martin            | (JM) | SGN                    |
| Phil Lucas             | (PL) | National Grid          |
| Shiv Singh             | (SS) | Cadent                 |
| Steven Fowler          | (SF) | SGN                    |
| Steve Pownall          | (SP) | Xoserve                |
| Vince Rowley           | (VR) | Cadent                 |

*\*via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0719/030820>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 September 2020.

**1.0 Introduction and Status Review**

Alan Raper (AR) welcomed everyone to the meeting.

**1.1. Approval of Minutes (06 July 2020)**

The minutes from the previous meeting were approved.

**1.2. Approval of Late Papers**

No late papers.

**1.3. Review of Outstanding Actions**

**0604:** National Grid (PL) to confirm if a copy of the monthly Ofgem report can be made available to DNs and if there is any narrative/analysis added to the report over and above simple provision of the CVs and all the data used to calculate the CVs.

**Update:** Phil Lucas (PL) confirmed a post meeting update had been provided and published on the July meeting page at: <https://www.gasgovernance.co.uk/0719/060720>. **Closed.**

**0607:** National Grid (PL) to consider the option of providing a Flow Weighted Average CV calculation service as a chargeable service.

**Update:** PL confirmed that National Grid do not wish to offer an enduring service for providing the Flow Weighted Average CV calculation on a chargeable basis. PL advised that National Grid anticipate issuing an OAD Notice in September under Section F5 to provide the required 6 months' notice. Recognising the lead times for establishing an alternative option, National Grid would provide an interim service for a maximum of 12 months following the 6-month notice period in September 2020. PL confirmed this service can only be offered on an all or none basis

to DNs collectively and would be a chargeable service based on OpEx costs. PL clarified the service would not be provided to a subset of DNs, as it would require all DNs to be signed-up to the service provision. Taking into account the 6 months' notice period and 12 months interim service option, this would provide a time span of 18 months for DNs to establish an alternative process. PL confirmed the charges for this service are currently being developed, along with how the costs could be split amongst the DNs. It was anticipated that this would be a contractual service agreement arrangement between the DNs and National Grid.

Joel Martin (JM) enquired on the reasons why National Grid were not offering the service as an enduring paid service under RIIO-2. PL explained investment decisions are being made with regards to National Grid's system infrastructure and extra build provisions would need to be invested in to support an enduring service going forward. Ben Hanley (BH) wished to understand the anticipated costs for building the system provisions required to enable the Workgroup to evaluate all the options.

The Workgroup further considered the interim service and the possibility of whether this could be provided on a contractual basis as an enduring service. AR noted that as National Grid are not obligated to provide the service, there would be a questionable rationale for National Grid to provide estimated build costs for a service it is not obligated to provide or wishes to continue. Nevertheless, the view of the group was that estimated costs would be useful when assessing cost from alternative service providers

The Workgroup briefly considered the need for a UNC Modification and the need to measure the change against the relevant objectives. BH wished to understand the different costs for each of the Xoserve and National Grid options to provide a comparison and help determine which would be the most cost-effective solution. It was suggested that the interim service costs would provide some cost indication of the administration costs, without the system build costs, for some comparison.

The Workgroup considered the value of providing the continuing service costs from National Grid as this would provide context to the issue and form the basis of needing to find an alternative solution. The Workgroup discussed the challenges with obtaining estimates for a service National Grid do not intend on providing.

Recognising that the alternative option available via Xoserve would need a 14-month delivery lead time PL asked the DNs to confirm as soon as possible if the maximum 12-month interim service provision would be sufficient. See Action 0703 – release date discussions.

Steven Fowler (SF) asked for clarity on the provision of the interim service costs and proposed split. PL confirmed these will be provided. **Closed.**

**New Action 0801:** National Grid (PL) to consider what cost information could be provided and if possible, provide further information of the cost of replacing the system, the potential ongoing costs and proposed splitting of costs for the interim solution.

**0701:** National Grid (PL) to clarify:

1. How a CV value is updated post close out flagged as such in MIPI
2. Whether the CV Shrinkage volume changes in line with a CV value which is updated post close out and whether all the data necessary for National Grid to calculate CV Shrinkage is present in Gemini.

**Update:** PL confirmed that the data item explorer within MIPI provided the initial D+5 CV value and the revised/amended value, and that both are published on MIPI via the data item viewer. PL clarified that the amended values are marked with an A. Additionally, PL advised that forecast CV values are also provided on a daily basis.

PL explained that for CV Shrinkage volume does not change after the D+5 value is calculated. PL confirmed the only data that would not be in Gemini would be the actual measured energy. and that these values would need to be provided to National Grid to complete the calculation. BH recognised that for the interim period DNs would have to provide National Grid and Xoserve

with the energy-based measurements for CV Shrinkage and the mechanism for doing this needs further consideration to get the LDZ energy volumes.

Steve Pownall (SP) enquired about the provision of the CV forecasts. Catherine Lister (CL) believed this was provided as an estimated average CV value for that day between 6am and 9am. It was understood that this was described within the documentation previously provided. SP enquired where the base the data comes from and if this is a new requirement.

PL believed further consideration needed to be given on how the forecast CV is calculated and how this could be provided going forward. **Closed.**

**0702:** Joint Office (AR) to include an agenda item on the August agenda to discuss attribution mapping and how it would work under the different options.

**Update:** AR confirmed this was included on the agenda and understood work had been undertaken offline to map the network flows to understand how variations would be reflected in the mapping table. **Closed.**

**0703:** Xoserve (SP) to provide information on future DSC Change planned release dates.

**Update:** SP provided the current planned release schedule and confirmed that this change had been pencilled in for release in November 2021. He explained that changes scheduled for the release would need final sign off in December 2020. SP explained that the release programme may not need to align to a major release, however consideration must be given to the Gemini impacts for viewing flow weighted CV values, and the mechanism for transferred D+5 updates into MIPI.

PL enquired if the DN Gemini screen changes could delay the provision of the replacement solution and if changes to Gemini access screen could be managed separately to avoid any delays.

The Workgroup considered the available systems for the provision of the enduring service and that if the November 2021 could not be achieved the next available release date would be April 2022.

To meet the November 2021 SP confirmed that the Change Request (XRN) would need a firm solution design, costs and signed off approval in November 2020 for this to be contained within the December 2020 workplan, which would enable an implementation in November 2021.

PL enquired if MIPI draws the D+5 amendment information from Gemini. SP believed the adjustments in MIPI do not feedback through to Gemini and, therefore, this would be a new National Grid requirement as the existing file flows would be severed. SP explained this would be an additional service line for National Grid. It was recognised that the process flow diagrams needed to be considered in detail, along with the requirement for the new Gemini screen.

The DNs considered the access requirements to Gemini screens to ensure the provision of data and the most efficient means of exchanging data. **Closed.**

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| <p><b>New Action 0802:</b> Xoserve (SP) to check and clarify the Change Request (XRN5063) scope approval process and timelines.</p> |
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**0704:** DNs to provide an update at the next meeting on their preferred options subject to NG's response on how the service is likely to continue/or not.

**Update:** JM confirmed that the DNs have discussed the alternative options and are focusing on Xoserve providing the service. It was noted this was not the preferred option but an alternative solution to losing the current service. **Closed.**

## 2.0 Review Proposed Options

BH wished to understand the potential changes required to the UNC OAD, and if Section F needed to be amended to obligate DNs providing data to National Grid for the interim service. He clarified at the moment certain information utilised in this process is published by the DNs but they are not obligated to provide this to National Grid.

It was envisaged OAD changes would be required which would include transitional legal text changes and DSC Service Changes for the enduring solution. This would need to be captured within the subsequent UNC Modification Proposal.

## 3.0 Attribution Mapping

DNs recognised the need to map the process and data flows and how this will need to translate into a UNC Modification and CDSP Change Proposal.

The general process/requirement was understood. However, SP wished for further clarity on the business rules around the provision of the service, frequency of data provision and wished to better capture some of the potential high-level solutions.

PL believed the current attribution mapping table may need to be more dynamic to reflect variations in network configurations.

## 4.0 Development of Workgroup Report

See item 5.0.

## 5.0 Next Steps

AR confirmed that the Request Workgroup Report was due to be presented to the UNC Modification Panel by 17 September 2020 and confirmed one further meeting had been planned on 07 September 2020 to conclude the Workgroup Report.

It was understood that the DNs and Xoserve would potentially meet offline to undertake further information gathering to outline the Xoserve solution in more detail and help form the required UNC Modification and Change Request (XRN).

AR confirmed that the Request Workgroup Report would be drafted to catalogue the Workgroups considerations with a view to finalising the report for September. It was recognised that a subsequent UNC Modification and Change Proposal would be required to capture the changes.

PL enquired about the current Business Rules and if these need to be reviewed. SP confirmed that there are some Business Rules which would benefit a review and impact assessment. It was agreed that an offline requirement gathering exercise would need to be undertaken in support of the changes required.

It was envisaged that a UNC Modification would need to be raised to facilitate the change and that this may require Authority Direction due to the transfer of activities and the effect on operator costs.

## 6.0 Any Other Business

None.

## 7.0 Diary Planning

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

Workgroup meetings will take place as follows:

| Time / Date                          | Paper Publication Deadline | Venue          | Programme                         |
|--------------------------------------|----------------------------|----------------|-----------------------------------|
| 10:00 Monday<br>07 September<br>2020 | 5pm Friday<br>28 August    | Teleconference | Finalise Request Workgroup Report |

**Action Table (as at 03 August 2020)**

| Action Ref | Meeting Date | Minute Ref | Action  | Owner              | Status Update |
|------------|--------------|------------|---|--------------------|---------------|
| 0604       | 01/06/20     | 2.0        | National Grid (PL) to confirm if a copy of the monthly Ofgem report can be made available to DNs and if there is any narrative/analysis added to the report over and above simple provision of the CVs and all the data used to calculate the CVs.  | National Grid (PL) | Closed        |
| 0607       | 01/06/20     | 4.0        | National Grid (PL) to consider the option of providing a Flow Weighted Average CV calculation service as a chargeable service.  | National Grid (PL) | Closed        |
| 0701       | 06/07/20     | 1.3        | National Grid (PL) to clarify:<br>1. How a CV value is updated post close out flagged as such in MIPI.<br>2. Whether the CV Shrinkage volume changes in line with a CV value which is updated post close out and whether all the data necessary for National Grid to calculate CV Shrinkage is present in Gemini. | National Grid (PL) | Closed        |
| 0702       | 06/07/20     | 2.0        | Joint Office (AR) to include an agenda item on the August agenda to discuss attribution mapping and how it would work under the different options.  | Joint Office (AR)  | Closed        |
| 0703       | 06/07/20     | 2.0        | Xoserve (SP) to provide information on future DSC Change planned release dates.   | Xoserve (SP)       | Closed        |
| 0704       | 06/07/20     | 3.0        | DNs to provide an update at the next meeting on their preferred options subject to NG's response on how the service is likely to continue/or not.   | DNs                | Closed        |

**Action Table (as at 03 August 2020)**

| <b>Action Ref</b> | <b>Meeting Date</b> | <b>Minute Ref</b> | <b>Action</b>  | <b>Owner</b>       | <b>Status Update</b> |
|-------------------|---------------------|-------------------|--|--------------------|----------------------|
| <b>0801</b>       | 03/08/20            | 1.3               | National Grid (PL) to consider what cost information could be provided and if possible, provide further information of the cost of replacing the system, the potential ongoing costs and proposed splitting of costs for the interim solution. | National Grid (PL) | <b>Pending</b>       |
| <b>0802</b>       | 03/08/20            | 1.3               | Xoserve (SP) to check and clarify the Change Request (XRN5063) scope approval process and timelines.   | Xoserve (SP)       | <b>Pending</b>       |