

**UNC Workgroup 0730 Minutes
COVID-19 Capacity Retention Process
Tuesday 08 December 2020
via Microsoft Teams**

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Andy Clasper	(AC)	Cadent
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Kirsty Dudley	(KD)	E.ON
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	Gazprom Energy

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0730/081220>

The amended Final Modification Report is due to be presented at the UNC Modification Panel by 17 December 2020.

1.0 Introduction

1.1. Approval of Minutes

Alan Raper (AR) explained that some of the contents of the previous minutes had been discussed during the Distribution Workgroup in relation to issues that had been raised at Panel.

The minutes from 01 October 2020 were then agreed.

1.2. Approval of Late Papers

AR said that a Variation Request and a Draft Varied Modification had been received and while they had arrived late, should be considered at the meeting. All agreed to accept these papers.

2.0 Final Modification Report – Panel discussions

AR explained that following the assessment of the Final Modification Report at the Extraordinary November 2020 Panel, further discussions had resulted in the need for a Variation Request and Draft Varied Modification.

AR said the areas that needed to be discussed and agreed were in relation to the codification of the process to establish the list of sites eligible for the rebate.

3.0 Consideration of Draft Variation Request

AR then provided an overview of the narrative that had been submitted by the Proposer, Steve Mulinganie (SM), with the inclusion of an additional Business Rule, (BR5), as detailed below:

Addition of a new business rule

BR5: To qualify for relief i.e., capacity retention charge under this modification the relevant Shipper will be required to warrant to the CDSP within 20 Supply Point Business Days of receipt of a notification from the CDSP of the opening of a relevant claim period that the relevant Supply Meter Point(s) are subject to the relevant restrictions relating to their operation under the COVID Regulations e.g. the nature of business conducted at the site and the geography

David Addison (DA) then provided a brief synopsis of the validation process and, in response to a panel action to establish the materiality of Modification, stated that limited information available to Xoserve at present only enabled very broad spectrum of potential outcomes to be calculated: at one end of the spectrum were 5 confirmed sites, with an overall isolation amount of £108.00 while at the other end, there could be up to 4,500 sites with an overall isolation amount of £28,000. In terms of clarifying the process, he said, in essence, that registered users would have 20 days within which to contact Xoserve/CDSP in writing, regarding an isolation window. No further chasing, or contact would be undertaken by Xoserve/CDSP in this regard, after the stipulated 20-day period.

DA said that this process would not be linked to the billing period and that the initial adjustments period may take two or three months to materialise and then moving forward, after the pandemic period, the final rebates may take 6 weeks to adjust. He said that Xoserve/CDSP would provide to shippers lists of isolated sites, each with a date when its was set to isolated, as per the Claims Validation exercise.

4.0 Consideration of Draft Varied Modification

AR provided an overview of the amended Legal Text within the Draft Varied Modification which is detailed below:

3.8 For the purposes of paragraph 3.7:

(a) "**rebate period**" is the period:

commencing, in the case of a Relevant Supply Meter Point which is deemed Isolated:

(1) on a date preceding the implementation date, the implementation date;
or

(2) on or on a date following the implementation date, the date on which it was deemed Isolated; and

ending on the date the Relevant Supply Meter Point ceases to be deemed Isolated in accordance with paragraph 3.5;

(b) "**implementation date**" is the date on which the Code Modification known as Modification 0730 is implemented.

3.9 Where a Supply Meter Point is deemed Isolated in accordance with this paragraph 3:

(a) the CDSP shall request the Registered User to confirm the Supply Meter Point is a Relevant Supply Meter Point;

(b) the Registered User must submit any such confirmation by notice to the CDSP within twenty (20) Supply Point Systems Business days of receipt of the CDSP's request under paragraph (a).

and by submitting such confirmation the Registered User warrants that in relation to the Supply Meter Point the circumstances referred to in paragraph 3.1(a) or (b) apply.

David Mitchell (DM) sought clarity in respect if Xoserve did not receive notification from the registered user regarding isolation under Modification 0723 (Urgent) - *Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period*, did that then get chased and would that registered user receive the discount. SM stated that there was no chasing mechanism and that if they were determined to be out of scope, then no further action would be taken. DA also concurred with this comment.

AR asked for any final comments in relation to the variation and the amended legal text. Of the comments received, all agreed that this Legal Text was fit for purpose.

In relation to the Draft Varied Modification, SM posed the question whether it needed to go out to consultation, as his view was that it should. Guv Dosanjh (GD) agreed as he felt that it was material and so it should be further consulted on to gain views. SM added broader opinions could then be gained from the wider market. Richard Pomroy (RP) concurred with this suggestion and said that the consultation period could be reduced, SM agreed and said the degree of change in Varied Modification justified a shorter consultation period as this would still enable respondents to provide their views on variation and its materiality.

AR explained the original Modification had triggered discussions from Ofgem regarding the rebate and the extent of the revenue that would have to be re-cut through transportation charges. DA said this had area been investigated. He added that a paper had been produced and was heavily caveated, which provided a brief synopsis of the amended process and reiterated the values discussed earlier in the meeting. In terms of the process, he said, in essence, that registered users would have 20 days within which to contact Xoserve/CDSP in writing regarding an isolation period and that no further chasing would be undertaken by Xoserve/CDSP after the 20-day period.

DA further commented that the payment of rebates would not align with standard billing periods stated that initial payments may lag by up to 3 months and the final payments at the end of the pandemic period, could take 6 weeks to adjust.

DA noted that he would be producing an updated version of this original paper.

5.0 Next Steps

AR confirmed that the Variation Request and Varied Modification would be finalised in readiness for submission to the December 2020 Panel, with a recommendation that it goes out consultation with a reduced response timeline.

6.0 Any Other Business

6.1. Amendment to regulations relating to COVID-19 Modifications

AR said as Tracey Saunders (TS) had sent her apologies, this area would not now be discussed.

7.0 Diary Planning

No more meetings planned for this Workgroup.