

UNC Distribution Workgroup Minutes
Thursday 25 November 2021
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Clare Manning	(CM)	E.ON Energy
Claire Louise Roberts	(CLR)	Scottish Power
Dan Fittock	(DF)	Corona Energy
Dan Wilkinson	(DA)	EDF Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David Morley	(DMo)	Ovo Energy
Eddie Proffitt	(EP)	Major Energy Users' Council
Ellie Rogers	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Guv Dosanjh	(GD)	Cadent
Kate Lancaster	(KL)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyer	(LH)	Totalenergies Gas & Power
Luke Reeves	(LR)	EDF Energy
Mark Field	(MF)	Sembcorp Energy UK
Mark Jones	(MJ)	SSE
Richard Pomroy	(RP)	Wales & West Utilities
Rhys Kealley	(RK)	British Gas
Robert Johnstone	(RJ)	Utilita
Sally Hardman	(SH)	SGN
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/251121>

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting.

1.1. Approval of Minutes (28 October 2021)

The minutes from the previous Distribution Workgroup were approved.

1.2. Approval of late papers

The late papers for the pre-Modification discussions were approved.

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: SM confirmed this has been resolved with the process now put in place. **Closed.**

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

Update: RHa advised she has emailed and spoken with colleagues at Ofgem to request more regular updates. An update for this meeting arrived during the meeting. **Closed.**

1.4. Modifications with Ofgem

Please refer to the Ofgem publication dates timetable, available at: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>.

RHa advised that Max Lambert has sent his apologies for this meeting and advised he will be attending Workgroup on 13 December 2021. RHa further advised she had received the following update from Max Lambert:

- Modification 0696V and Modification 0746: These Modifications have been deprioritised and the expected decision dates are to be confirmed in 2022.
- Modification 0687: An update was expected later during the meeting.

Gareth Evans (GE) commented that, following recent discussions with Ofgem he understood that Industry should expect a Modification 0687 decision by end of this week after discussion at high levels within Ofgem this week. He also understood that large amount of Last Resorts Supply Payments (LRSPs) at very short notice were being processed. He believed Ofgem are suggesting compression of the process; the transfer of charges includes an allowance for LRSP charges.

DA advised that Ofgem have asked CDSP to assess what the impact of Modification 0687 legal text (written in 2019) might be against the SCR Legal Text.

DA explained that the Legal Text in the areas affected by Modification 0687 had been amended twice, once as a consequence Modification 0790 (Urgent) - *Introduction of a Transmission Services Entry Flow Charge*, which is opening up the same part of Legal Text and therefore some changes to 0687 Legal Text will be required. DA advised he is in conversations with Joint Office regarding this.

It was confirmed the Legal Text provider for Modification 0687 is SGN and the Legal Text provider for Modification 0790 (Urgent) is National Grid.

SM noted that the Legal Text for Modification 0687 was correct at the time of submission to Ofgem, but now it may need consent to modify or another process to rectify the situation.

DA advised, in preparation for an Authority Decision on Modification 0687, it is on the agenda for discussion at the DSC Change Management Committee on 08 December 2021.

1.5. Pre-Modification discussions

1.5.1. Current charging for SoLR

Richard Pomroy (RP) wished to note that, due to the lack of clarity on how Ofgem are going to progress with *Modification 0687 - Creation of new charge to recover Last Resort Supply Payments* he felt it may be sensible to raise a Modification to lay out how Supplier of Last Resort (SoLR) charges are currently recovered. He added that, to date, the amount of money recovered is relatively small. RP advised that rather than draft a Mod then get the Legal Text, he had (unusually) drafted the Legal Text first using the Legal Text for Modification 0687 as a starting point. Referring to the draft Legal Text provided for the meeting, RP explained how recovery of the SoLR payments would be made is covered in TPD Section B – System Use and Capacity 1.7.1 (c).

RP advised that Centrica made a point in the consultation for Modification 0687 regarding the price cap, this is now covered in TPD Section B – System Use and Capacity 11.5 and this would be invoiced in accordance with section S, all the other invoicing and credit arrangements in Code will apply as there will be little time for new charge types.

RP noted that if Ofgem direct Modification 0687 for implementation, this new Modification will not need to progress any further. RP explained, subject to any further developments with Modification 0687, and as Transporters publish their final charges on 01 February, the suggested timeline would be:

- Draft the Modification and allow for additional pre-modification discussions at the 13 December 2021 Distribution Workgroup Modification
- Panel would consider it on 16 December 2021
- Subject to Panel agreement, it would go straight out to consultation
- FMR would be considered at the January UNC Panel meeting.

When asked, RP confirmed that changes to Section S (Invoicing and Payment) or Y (Charging Methodologies) are not necessary as the intention is to treat the SoLR payments as Transportation charges.

RHa confirmed that the deadline for raising new Modifications in time for the December 2021 UNC Panel is 03 December 2021.

When asked, RP further explained if Modification 0687 is implemented, there will be no requirement for this Modification to progress because it only lays out how SoLR charges have been recovered to date, currently Code is silent. Given the potential volume it is right that Code explains how the charges are calculated.

When SM sought clarification regarding the constraint that claims should be submitted by the end of December, he mentioned that this new Modification does not address this constraint. RP clarified that this Modification refers to a valid claim as defined by the Licence.

1.5.2. 0719R - Change to the daily calculation process.

David Mitchell (DM) explained that as part of the *Review Workgroup 0719R – Calculation of Energy Value of Gas Review* a new Modification is required that will make a change to the daily calculation process.

DM explained that National Grid has announced it is to withdraw from providing the Distribution Networks (DNs) with the daily LDZ Flow-Weighted Average CV calculation (FWACV) service. As a consequence, the DN's will become responsible for calculating their own daily LDZ FWACV's and, publishing the information to Shippers. He advised that Xoserve Change Proposal 5231 - Provision of a Flow-Weighted Average CV calculation (FWACV) Service has been raised with an expected go-live of 01 April 2022 and will change the obligations in OAD Section F of Code.

There was no further discussion on this topic.

2. CSS Consequential Changes – Detailed Design Report

Dave Addison (DA) advised the following Legal Drafting documents for the Faster Switching Significant Code Review (SCR) have been published for this agenda item:

- CSS Update - Transporter Initiated Registrations
- FS-SCR Explanatory Note - March 2021
- Document 1 - TPD Section B4
- Document 2 - TPD Section B8
- Document 3 - TPD Annex B-3
- Document 4 - TPD Section G
- Document 5 - TPD Annex G-1
- Document 6 - TPD Section M
- Document 7 - Other Changes to the UNC-TPD
- Document 8 - Other Changes to the UNC-GTs
- Document 9 - Other Changes to the UNC-IGTAD

DA explained that the CDSP provided the Legal Text drafting to Ofgem in March 2021, unfortunately Ofgem did not send it out in the consultation, therefore they asked CDSP to describe to Distribution Workgroup the changes again which DA completed at the October 2021 Distribution Workgroup.

DA explained that the Regulatory Design User Group (RDUG) have suggested that it is more appropriate for the Work group to review this legal text because this group, Distribution Workgroup, has seen this Legal Text on a number of occasions, DA advised he is waiting for timings when this process is expected to be run, he wanted at least 2 weeks for parties to review the text but time may not allow for this.

DA advised that Joint Office would need to publish the documents for review with comments to be provided back to DA so that if there are any questions he can answer as appropriate.

RHa confirmed that Joint office will likely require direction from the Authority for Joint Office to issue the Consultation documentation if this is to be a formal UNC consultation, since it would be outside the normal process. If however the Workgroup was reviewing the legal text in a more informal manner, it could be done as part of Distribution Workgroup.

In order for a more detailed discussion at the 13 December 2021 Workgroup, DA asked Workgroup to review Document 8 – Other Changes to the UNC-GTs as this sets out how the Data Permissions Matrix (DPM) will interact with the Data Access Matrix.

New Action 0111: All Workgroup to review *Document 8 – Other Changes to the UNC-GTs* ahead of the next Workgroup meeting on 13 December 2021. See publication here: <https://www.gasgovernance.co.uk/dist/251121>

DA confirmed that once he receives clarity from Ofgem he will ask Joint Office to write out to all parties.

Discussion concluded

3. Workgroups

3.1. 0734S – Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers

(Due to report to Panel 16 December 2021)

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

3.2. 0763R - Review of Gas Meter By-Pass Arrangements

(Due to report to Panel 21 April 2022)

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

3.3. 0781R - Review of the Unidentified Gas Process

(Due to report to Panel 21 April 2022)

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

3.4. 0782 – Creation of Independent AUGE Assurer (IAA) role

(Due to report to Panel 17 February 2022)

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

3.5. 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>

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>

Time / Date	Paper Publication Deadline	Venue	Programme
Monday 10:00 13 December 2021	5pm 02 December 2021	Microsoft Teams	Standard Agenda
Thursday 10:00 27 January 2022	5pm 18 January 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 24 February 2022	5pm 15 February 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 24 March 2022	5pm 15 March 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 28 April 2022	5pm 19 April 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 26 May 2022	5pm 17 May 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 23 June 2022	5pm 14 June 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 28 July 2022	5pm 19 July 2022	Microsoft Teams	Standard Agenda
Thursday 10:00 25 August 2022	5pm 16 August 2022	Microsoft Teams	Standard Agenda
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
Thursday 10:00 12 December 2022	5pm 01 December 2022	Microsoft Teams	Standard Agenda

Action Table (as of 25 November 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)	Closed
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)	Closed
0111	25/11/21	2.0	All Workgroup to review <i>Document 8 – Other Changes to the UNC-GTs</i> ahead of the next Workgroup meeting on 13 December 2021. See publication here: https://www.gasgovernance.co.uk/dist/251121	December 2021	All Workgroup	Pending