

**Uniform Network Code Committee
Minutes of Meeting 215 held on
Thursday 21 October 2021
Via Teleconference**

Attendees			
Voting Members:			
Shipper Representatives		Transporter Representatives	
D Fittock (DF), Corona Energy D Morley (DMo), Ovo Energy M Bellman (MB), ScottishPower O Chapman (OC), Centrica R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom Energy		A Clasper (AC), Cadent A Travell (AT), BU-UK C Williams (CW), National Grid NTS D Mitchell (DM), SGN R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks	
Non-Voting Members:			
Chairperson	Ofgem Representative	Consumer Representative	Independent Supplier Representative
W Goldwag (WG)	J Semple (JS)		
Also, in Attendance: C Cattle-Jones (CCL), Ovo Energy; D Addison (DA), Xoserve; E Rogers (ER), Xoserve - CDSP Representative; F Cottam (FC), Xoserve; H Moss (HM), Cornwall Insight; K Elleman (KE), Joint Office; M Bhowmick-Jewkes (MBJ), Joint Office; P Garner (PG), Joint Office; R Hewitt (RH), Hewitt Home and Energy Solution Ltd; R Streuper (RS), BBL Company			

Copies of all papers are available at: <http://www.gasgovernance.co.uk/uncc/211021>

215.1 Note of any alternates attending the meeting

A Clasper on behalf of G Dosanjh, Cadent

C Williams on behalf of D Lond, National Grid NTS

215.2 Apologies for Absence

D Lond, National Grid NTS

G Dosanjh, Cadent

215.3 Minutes and Actions from the previous meeting

The 16 September 2021 meeting minutes were approved.

215.4 Review of Actions

No outstanding actions.

215.5 Matters for the Committee's Attention

a) LDZ Shrinkage Adjustments Methodology

F Cottam (FC) presented a change marked version of the LDZ Shrinkage Adjustments Methodology v3.1 for approval, noting it had been updated since Project Nexus implementation.

Please see the published change marked document for full details of the amendments.

FC noted that Xoserve have drafted these changes as they were signed off by Transporters and require approval from the UNCC.

T Saunders (TS) asked for clarification around the Shrinkage amount. FC explained that if the Shrinkage amount changes, it also changes the balancing figures. TS asked if all Distribution Network Operators (DNOs) had been informed of these changes. FC advised that the DNO representatives through the DN Forum had been advised.

UNCC Members discussed the amendments and noted that as the amendments can have an impact on balancing, it would be beneficial for DNs to perform a more detailed review the document.

FC accepted this and confirmed this can be deferred to the November UNCC meeting.

215.6 AOB

a) Alrewas Meter Error (EM009)

P Garner (PG) advised FC would provide an update on the Alrewas Meter Error (EM009) under Action UNCC 0901.

PG noted that since the last UNCC meeting, a second Independent Technical Expert (ITE) had been chosen by Shippers and that the appointment process was currently ongoing.

FC presented the slides with her update. Please see the published slides on the UNCC meeting page for details.

UNCC discussed the information provided, with key points noted below:

- M Bellman (MB) asked how errors were reconciled. An explanation was provided by FC.
- S Mulinganie (SM) asked what the trigger was for when an error gets billed. FC explained it would depend on the ITE report.
- FC was asked to clarify the approval process for the ITE report.

UNCC Action 1001: FC/AR to confirm the governance/approval process for the ITE's report on the large LDZ measurement error, e.g. which forums make the decision and how any voting takes place.

- FC explained the impact of the failed Shippers on the Significant Measurement Error (SMER).
- SM was concerned about the smear back from the terminated Users and wanted to know what the arrangements would be for addressing this.
- SM noted because of the SMER and the significant number of failed Users, there was currently an industry wide risk for all businesses, which was impossible to quantify because of the size of the risk. WG accepted this but noted that FC could not provide an answer at this time.
- R Fairholme (RF) noted that it could take a long time to unravel and reconcile issues in energy balancing. UNCC Members agreed with this view.
- MB asked if EBCC (Energy Balancing Credit Committee) could arrange or endorse an approach to provide an estimate for the exposure to the industry because of the failed Users. SM agreed with this request noting it would give credence to the financial risk that is currently being posed. SM agreed to raise this suggestion to the EBCC.
- MB noted that as the UNCC was being informed of a significant exposure to the industry, mitigation may be required. PG advised that PAC (Performance Assurance Committee) have already asked DNOs for assurances around exposure and mitigation.

WG summarised that the issues have been discussed in full and some risks and concerns have been highlighted.

215.7 Next Meeting

The next meeting will be on 18 November 2021, immediately after the UNC Modification Panel meeting on that date.

Action Table (21 September 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UNCC 0901	16/09/21	214.6 a)	<p>Xoserve/CDSP (ER/FC) to produce slides to be presented at the Offtake Arrangement Workgroup on 29 September to cover the following:</p> <ul style="list-style-type: none"> • How is neutralisation dealt with? • What is the invoicing / billing process, including expected timings? • What happens if a User impacted by the SMER ceased trading and left the market. <p>To produce a new timeline showing the impacts to the reconciliation process by the appointment of a second ITE.</p>	Xoserve/CDSP (ER/FC)	Closed
UNCC 1001	21/10/21	215.6 a)	<p>FC/AR to confirm the governance/approval process for the ITE's report on the large LDZ measurement error, e.g. which forums make the decision and how any voting takes place.</p>	Xoserve (FC)/ Joint Office (AR)	Pending