

UNC Distribution Workgroup Minutes
Thursday 24 September 2020
via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (agenda item 3.0)
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/dist/240920

1. Introduction and Status Review

Kate Elleman (KE) welcomed everyone to the meeting.

1.1. Approval of Minutes (24 August 2020)

The minutes from the previous meetings were agreed.

1.2. Approval of late papers

Kate Elleman (KE) advised Workgroup that a late paper linked to action 0701 had been provided. Workgroup agreed to accept the late paper relating to 0701 action.

1.3. Review Outstanding Actions

Action 1202: Deriving Formula Year AQ for New Class 3 and 4 Supply Meter Points.

Update: Update to be provided post DSG meeting at October DWG. **Carried Forward to October**

Action 0103/0104: *Change of Tenancy Flag / CSS issues (Original Action:* DA to liaise with SM regarding the possibility of having to raise a Change Request to Ofgem, or Shippers will not be provided the information.

Update: Dave Addison (DA) advised he is trying to extract from Technical Team the construction of the report, will then provide an update to the October 2020 Workgroup. **Carried Forward to October**

Action 0701: CDSP (DA) to advise if they can provide analysis of AQ changes which would provide evidence to support whether a new modification was required.

Update: CDSP agreed to undertake some AQ analysis recognising the impact COVID-19 has had on consumption. Workgroup had been invited to provide suggestions on other ways to analyse data. One User suggested excluding the COVID-19 period in order to determine the Formula Year AQ (FYAQ) for 2021. DA explained that means rather than using the Rolling AQ as of December 2020, it would be to use the Rolling AQ as of 01 April 2020.

This paper shows, in response to the action, the impacts to AQ.

DA confirmed that the information was published on the Xoserve secure website.

SM stated that the September AQs will be distorted by the AQ amendments that occurred in May 2020 and asked if that affected the outcome.

DA advised that the December to September snapshot is trying to show what the run-off might be, but in terms of the AQ corrections, any that take place after the Rolling AQ snapshot, they would still prevail.

DA advised the figures showing for April 2020 will not show any corrections with effect from May onwards.

KE reminded Workgroup that the purpose of this action was to determine if a new AQ modification was required based on analysis of the data.

DA explained that the column labelled % Change Dec-April shows the Rolling AQ from December 2019 to April 2020 was on a general upward trend; at the point where COVID-19 lockdown occurred, the top EUC band 1 AQ increased by 1.3%, the whole of the Small Supply Point (SSP) market increased by 1%, Large Supply Point (LSP) market reduced by 5%. That is what was expected.

DA clarified if no modification is raised the Rolling AQ calculation as of December 2020 would be utilised which would then be used for the FYAQ with effect from April 2021.

KE asked Workgroup to consider, now that the analysis has been done, is it sufficient to warrant action or no action, is there any other work required or is there sufficient data provided to determine if another modification is required.

DA reminded Workgroup that any modification would need to be implemented by December 2020.

KD asked Workgroup if there is a preference for staying with the default of standard practice or changing to a date like 01 April 2020 to not include COVID-19 and reminded the workgroup that time is quite pressing for this.

KD advised Workgroup she would be happy to raise a modification if there is appetite from Workgroup adding that it would have to be an urgent modification otherwise it would not meet the December 2020 data cut.

Workgroup to advise KD if there is support for a new modification to be raised. **Closed**

<p>New Action 0901: Workgroup to advise KD if there is support for a new modification to be raised in relation to the analysis provided by CDSP regarding AQ changes (Action 0701)</p>

Action 0801: Ofgem (JD) to consider whether there are any further actions open to Ofgem regarding recent AQ Amendments by one Shipper recognising that there has been a material impact on Shippers and whether this can be addressed retrospectively.

Update: Max Lambert (ML) confirmed Ofgem are looking at options internally, an update will be provided in October 2020 and DON noted that the UNC was an industry code / contract.

Carried Forward to October

Action 0802: DA to review list of recently issued Network Designated Sites and confirm appeals process regarding those that have been previously appealed.

Update: Ellie Rogers (ER) advised she has spoken to the DNs and identified there has been some inconsistency in the communication regarding *Modification 0665 – Changes to Ratchet Regime*. She explained where a DN has included a site, if the site was listed as a Network Designated Site last year and a Shipper feels something has changed, there is a process to inform that change. SGN (Dave Mitchell (DM) will look at the guidance document once this year's round has been completed.

DA confirmed that sites can be appealed if there has been a significant change from last year.
Closed.

1.4. Modifications with Ofgem

Modification 0687 - Creation of new charge to recover Last Resort Supply Payments

ML advised Ofgem are still considering this internally.

ER confirmed that an extra ordinary DSC Change Management Committee meeting is being held on Monday 26 October 2020 to discuss if this will be included in the scope for June 2021 pending the Ofgem decision.

ML confirmed that 0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs and Modification 0701 – Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs are also being considered internally.

1.5. Pre-Modification discussions

1.5.1. Updating specific gender references to neutral terms

KD introduced the modification and advised that as part of legal text feedback for *Modification 0674 - Performance Assurance Techniques and Controls*, it was identified that specific gender reference terms are used throughout UNC and IGTUNC. Other codes adopt a more general approach.

This modification is being raised to update any specific gender references such as 'he', 'him', 'his', 'Chairman' etc to neutral terms such as 'their', 'them', 'they' and 'Chairperson' in the Uniform Network Code Removing him, his, chairman etc.

To implement this change, it was recognised that it will require a page by page review of the UNC to identify all changes.

KE challenged whether this would need to go to a Workgroup or whether it could be the responsibility of the Legal Text provider to carry out the page by page review. She also reminded Workgroup that a decision was made that during the pandemic, the Industry would try to minimise any modifications not deemed related to COVID-19.

KD advised that she raised this change at IGTUNC Panel where they said they would prefer to at least one workgroup discussion. KD would prefer to do the same for both UNC and IGTUNC.

Workgroup feedback was given as follows:

Tracey Saunders (TS) it would be clearer and more beneficial if this work was kept separate to any other housekeeping modifications.

SM advised it seems wise for one Workgroup meeting and wondered if this could be incorporated into the broader digitalisation of Code and agreed, is it right to raise now when Industry should be focussing on critical changes

KD advised that she raised this change at IGTUNC Panel where they said they would prefer to at least one workgroup discussion. KD would prefer to do the same for both UNC and IGTUNC.

Workgroup feedback was given as follows:

Tracey Saunders (TS) it would be clearer and more beneficial if this work was kept separate to any other housekeeping modifications.

SM advised it seems wise for one Workgroup meeting and wondered if this could be incorporated into the broader digitalisation of Code and agreed, is it right to raise now when Industry should be focussing on critical changes.

KD advised she is happy to defer but at the moment it is unknown when the COVID-19 pandemic is going to end.

KE advised that currently, there are six Workgroups within Distribution Workgroup, if all goes to plan, Modification 0730 will have gone through UNC Panel in October and suggested that December Distribution Workgroup would be a more reasonable meeting to review this modification.

In conclusion it was agreed to further discuss this at the November 2020 Distribution Workgroup in terms of when is the right time to raise this Modification.

2. Workgroups

2.1. **0736 - Clarificatory change to the AQ amendment process within TPD G2.3**

(Report to Panel 17 December 2020)

<https://www.gasgovernance.co.uk/0736>

2.2. **0736A - Clarificatory change to the AQ amendment process within TPD G2.3**

(Report to Panel 17 December 2020)

<https://www.gasgovernance.co.uk/0736>

2.3. **0730 – COVID-19 Capacity Retention Process**

(Report to Panel 15 October 2020)

<https://www.gasgovernance.co.uk/0730>

2.4. **0734S – Reporting Valid Confirmed Theft of Gas into Central Systems**

(Report to Panel 17 December 2020)

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

2.5. **0693R – Treatment of kWh error arising from statutory volume-energy conversion**

(Report to Panel 17 December 2020)

<https://www.gasgovernance.co.uk/0693>

2.6. **0735 - UNC Changes as a consequence of the absence of trade agreement/s between the United Kingdom and the European Union ('no deal')**

(Report to Panel 19 November 2020)

<http://www.gasgovernance.co.uk/0735>

3. UIG Update

3.1. UIG Update

FC advised there was no update but did ask Workgroup to consider what do they want to see covered under this agenda item. Workgroup agreed that a UIG item should remain on the agenda but needed some thought around content.

New Action 0902: All Workgroup participants to consider if a UIG agenda item for Distribution Workgroup is valuable, if it is, what should be delivered.

4. COVID-19 Issues

4.1. Update from September 2020 UNC Panel

KE advised that the final report for *Modification 0726 (Urgent) - COVID-19 Liquidity Relief Scheme for Shippers* was submitted to the September 2020 UNC Panel and that when the final figures are made available, a final submission will be provided to UNC Panel.

It was suggested to keep Modification 0726 on the Distribution Workgroup agenda, there will be no more reporting to UNC Panel, only on an exception basis.

5. CSS Consequential Changes – Detailed Design Report

DA advised there was no update this month.

6. Issues

None raised.

7. Any Other Business

7.1. Customer Count Reporting (KD)

KD advised she has been liaising with Electralink regarding the central reporting that SPAA undertake and that this agenda item is to inform Workgroup that there is a discussion taking place around contractual arrangements.

DA clarified that a 3rd party agreement would be between CDSP and Electralink and that the DPM would still be required.

When asked, KD confirmed there possibly would need to be a new User type defined which may require a modification to be raised.

This concluded the update from KD.

7.2. Reporting between the CDSP and the DTSA

KD advised this was the same item as agenda item 7.1.

7.3. Soft Landing Ratchet Charges Discussion

Soft Landing Ratchet Charges

DA introduced a presentation that explained the soft landing ratchet charges.

He explained that in Code the soft landing applies to class 1 & 2 and applies for a year or until a capacity reduction takes place.

Because of Modification 0665 there is a need to work out the period when a ratchet charge applies for, this is in two conflicting parts of Code, TPD B 4.7.8 and TPD B 4.7.15.

It is suggested that the soft landing end date should define the class 2 ratchet start period.

KE suggested Workgroup take away the information and provide feedback at next month's Workgroup.

New Action 0903: *Soft Landing Ratchet Charges* - Workgroup take away the information and provide feedback at next month's Workgroup.

DA that the CDSP are currently reviewing system rules that relate to *Modification 0665 – Changes to Ratchet Regime*. The final slide provides the detail around how the system rules would be applied.

DA advised that if Workgroup have any concerns or comments, to please advise Dave Addison by the **end of week commencing 28 September 2020** and confirmed this is the softer option from a Shipper perspective.

C2 Ratchets

DA went on to introduce his second presentation on C2 Ratchets and advised that it has been identified there is a risk of double charging whereby a User could incur class 2 Ratchet charge back to 01 October but they could have already paid for it.

UNC TPD B 4.7.8 was introduced with Modification 0665 and explains how Class 2 ratchet charges are set out.

DA advised that this is a complex part of Code and there are lots of elements that can be considered in Class 2 Ratchet Charge Calculations, such as:

- Registered User Start Date
 - (not Confirmation Effective Date)
- Class Change
 - (i.e. when the becomes DM)
- Capacity Reduction Effective Date
- Soft Landing End Date
- Start of Gas Year

DA advised a conclusion has been reached from the Transporters in that TPD B 4.7.8 requires further clarification and there may need to be a modification in order to effect that clarification.

DA advised that if Workgroup have any concerns or comments, to please advise Dave Addison by the **end of week commencing 28 September 2020**.

New Action 0904: C2 Ratchets - If Workgroup have any concerns or comments, to please advise Dave Addison by the **end of week commencing 28 September 2020**.

8. Diary Planning

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

Time / Date	Venue	Workgroup Programme
Thursday 24 September 2020	Teleconference	Distribution Workgroup standard Agenda
Thursday 22 October 2020	Teleconference	Distribution Workgroup standard Agenda
Thursday 26 November 2020	Teleconference	Distribution Workgroup standard Agenda
Monday 14 December 2020	Teleconference	Distribution Workgroup standard Agenda

Action Table (as of 24 September 2020)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
1202	19/12/19	6.3	Deriving Formula Year AQ for New Class 3 and 4 Supply Meter Points (Original Action: Xoserve (DA) to assess the material effort to correct the formula for Class 3 and 4 New Supply Meter Points)	September 2020	CDSP (ER)	Carried Forward (further update at Oct meeting)
0103 & 0104	23/01/20	3.0	Change of Tenancy Flag / CSS issues (Original Action: DA to liaise with SM regarding the possibility of having to raise a Change Request to Ofgem, or Shippers will not be provided the information.) Update: Conducting further analysis which will be shared at Sep DWG.	September 2020	CDSP (ER)	Carried Forward
0701	23/07/20	1.3	CDSP (DA) to advise if they can provide analysis of AQ changes which would provide evidence to support whether a new modification was required.	September 2020	CDSP (DA)	Closed

0801	27/08/20	1.5	Ofgem (JD) to consider whether there are any further actions open to Ofgem regarding recent AQ Amendments by one Shipper recognising that there has been a material impact on Shippers and whether this can be addressed retrospectively	September 2020	Ofgem (JD)	Carried Forward
0802	27/08/20	7.3	DA to review list of recently issued Network Designated Sites and confirm appeals process regarding those that have been previously appealed.	September 2020	CDSP (DA)	Closed
0901	24/09/20	1.3	Workgroup to advise KD if there is support for a new modification to be raised in relation to the analysis provided by CDSP regarding AQ changes (Action 0701)	October 2020	Workgroup	Pending
0902	24/09/20	3.0	All Workgroup participants to consider if a UIG agenda item for Distribution Workgroup is valuable, if it is, what should be delivered			Pending
0904	24/09/20	7.3	Soft Landing Ratchet Charges - If Workgroup have any concerns or comments, to please advise Dave Addison by the end of week commencing 28 September 2020 .	September 2020	CDSP (DA)	Pending
0904	24/09/20	7.3	C2 Ratchets - If Workgroup have any concerns or comments, to please advise Dave Addison by the end of week commencing 28 September 2020 .	October 2020	Workgroup	Pending

UNC Workgroup 0736 Minutes
Clarificatory change to the AQ amendment process within TPD G2.3
Thursday 24 September 2020
via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
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Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0736/240920>

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

1.0 Outline of Modification

AC provided an outline to the Modification and talked Workgroup through the presentation that was provided to UNC Panel on 17 September 2020.

Why Change

AC explained that this Modification has been raised as he believes the current drafting of *Modification 0432 - Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform Business Requirements Definition (BRD)* document does not fully address the intent of Modification 0432 and requires clarification in which circumstances reason code 3 can be used under the terms of TPD G2.3.24 (b).

AC advised that the intent of the eligible cause, which is currently outlined in TPD G2.3.21 (c), (reason code 3), was to only allow AQ amendments to be submitted following a Change of Supplier and not, as has been identified, switching changes within the same organisation.

Solution

AC explained that he intends to amend TPD G2.3.24 (b) to clarify that the AQ amendment process for reason code 3 cannot be used when the Supply Point has moved between Shipper Users within the same organisation and there will be a requirement for Shippers to advise the CDSP of their grouped companies and to ensure any ongoing changes are also communicated to the CDSP.

AC stated that it is his intention to keep the solution to the Modification fairly simple.

Steve Mulinganie (SM) suggested that a legal opinion would be helpful, AC confirmed he is in discussion with Dentons and that it is his intention to further clarify the 50% affiliate in Annex D2, the 33.3% around assignments and the 10% TPD V around confidentiality.

KE asked, if the intention of this modification is to define the terminology of grouped and affiliate, and if so, there could be a number parts of the UNC that would need to change. AC clarified that he is only looking at amending G2.

SM suggested there are differing views of the % quoted by AC and asked what is determined to be the relevant %. AC agreed to provide a summary of what is currently in UNC.

Referring to the Solution, AC clarified the three Business Rules for this Modification:

BR1: A change is required to UNC TPD G2.3.24(b) to disallow a User making an AQ amendment under TPD G2.3.21(c) where the outgoing User is in the same group, e.g. it is the incoming Users parent, a subsidiary of the incoming User or sister company, i.e. with the same parent as the outgoing User.

BR2: Until Shippers have confirmed group details to the CDSP (this should include where they are grouped or confirmation they do not have a group), any User submitted AQ Corrections utilising reason code 3 (TPD G2.3.21(c)) will not be classed as valid.

BR3: Where there is a change or amendment to any group arrangements, the Shipper is responsible for notifying the CDSP of such change.

For avoidance of doubt, if following an AQ Correction using reason code 3, the CDSP undertake an investigation and it is identified the AQ Correction is invalid, the AQ Correction can be cancelled.

Workgroup discussed the Business Rules:

BR1 – AC confirmed this is as discussed.

BR2 – It is intended that CDSP will create a table which will have every group for every Shipper, including Shipper IDs and which group they are in. The Shipper should notify CDSP if they are not in a group

BR3 - there is a requirement for this Business Rule to be amended to be more explicit, this only applies to BR1 in that it will remain as a User responsibility to notify CDSP.

AC added that where a change to Shipper User groupings had not been notified the an AQ correction would be accepted; AC confirmed that this modification does not go into any mechanisms for unpicking, (retrospection).

Ellie Rogers (ER) suggested a slight amendment to the statement in italics, in order to capture the cancelling of an AQ amendment if amendment goes through and goes live but the Shipper did not give the obligations, so it should not have gone live. AC agreed to amend the wording 'the AQ correction can be rejected and/or reversed'.

ER clarified that implementation of this would be as soon as practicably possible with a supporting manual process. In the future, if there is a wider AQ review, a system solution could be picked up as part of that.

David O'Neill (DON) sought clarification on what would happen if this situation arises before this modification is implemented (if approved) into the UNC given this modification seeks to *clarify* (rather than change the intent of) the UNC. SM stated that in his opinion the User would be compliant with the current wording in UNC in that scenario.

ER said that if more were submitted, and the alternative (0736A) to this Modification was implemented then the process would be reversed.

SM further added that until there is a change to UNC, any party can practice this scenario and would be conforming to current UNC arrangements.

AC confirmed that there are three Workgroup meetings before this Modification and its alternative are due to report to Panel. The expectation is that agreement can be reached on the correct % for affiliate; assignments and confidentiality over this period.

GD advised that it is possible for a party to have been compliant with the current working of UNC and acting in good faith, this Modification is to clarify the intent of the code and that he hoped Users would adhere to the, now publicised, intent of the code.

SM added, until this Modification is approved, there is no contractual change to the UNC.

AC clarified this Modification is only addressing AQ amendments relating to reason code 3 as it the only reason code that relates to the User. SM advised there have been a large quantity of AQ amendments made under reason code 2 too.

RP asked Workgroup to consider giving PAC the role of arbiter, deciding if something is valid or not, a kind of decision making role. The data would need to be anonymised but that might be a way for the industry to self-govern itself.

In conclusion, AC confirmed that Cadent will look at all reason codes but clarified that the intent of this Modification was to only consider reason code 3 in order to address an immediate issue quickly.

New Action 0901: Cadent (AC) to provide a summary for the minutes of what is currently in UNC and what their use is with regards to 50% affiliate in Annex D2, the 33.3% around assignments and the 10% TPD V around confidentiality.

Post meeting update:

[Affiliate is a current defined term within the UNC \(General Terms C 2.9.7\) and is referenced against in three distinct areas of code.](#)

- [DSC Committee Representation – GT D Annex D-2 – Shipper User Group references a 50% Affiliate level](#)
- [Assignment – GT B 6.1.1\(a\) – 33 1/3% is referenced as the level at which a User may assign certain UNC rights](#)
- [Protected information, confidentiality – TPD V 5.1.1\(a\)\(ii\) and 5.2.1\(a\)\(iii\) – 10% is the set Affiliate level at which Transporters and Users can disclose Protected Information.](#)

New Action 0902: All shippers to consider what level of % affiliate was appropriate and provide views to the proposer as to what/why at or ahead of the next workgroup.

New Action 0903: Cadent (AC) to make amendment to the wording of Business Rule 1 to define the meaning of grouping / affiliate etc

Deleted: 2

New Action 0904: Once Cadent have provided the summary of what is currently in UNC and what their use is with regards to New Action 0902, Shippers are to consider which option is more suitable.

Deleted: 3

New Action 0905: CDSP (DA) and Cadent (AC) to review the financial impact of Users utilising reason code 2 and 4.

Deleted: 4

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

KE confirmed next steps would be to clarify definition of Grouped / Affiliate, consider the financial impact reason codes 2 & 4 have had and to review the italicised wording under business rules to include rejected / reversed.

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	Venue	Workgroup Programme
Thursday 22 October 2020	Teleconference	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules • Consideration of Wider Industry Impacts • Consideration of Legal Text • Development of Workgroup Report
Thursday 26 November 2020	Teleconference	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification • Review of Legal Text • Completion of Workgroup Report

Action Table (as at 24 September 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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Action Table (as at 24 September 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update	
0901	24/09/20	1.0	Cadent (AC) to provide a summary for the minutes of what is currently in UNC and what their use is with regards to 50% affiliate in Annex D2, the 33.3% around assignments and the 10% TPD V around confidentiality.	Cadent (AC)	Pending	<div style="border: 1px solid red; padding: 2px;">Deleted: CDSP (AB)¶</div> <div style="border: 1px solid red; padding: 2px;">Deleted: CD</div> <div style="border: 1px solid red; padding: 2px;">Deleted: National Grid (EF)</div>
<u>0902</u>	<u>24/09/20</u>	<u>1.0</u>	<u>All shippers to consider what level of % affiliate was appropriate and provide views to the proposer as to what/why at or ahead of the next workgroup</u>	All Shippers	Pending	
0903	24/09/20	1.0	Cadent (AC) to make amendment to the wording of Business Rule 1 to define the meaning of grouping / affiliate etc.	Cadent (AC)	Pending	<div style="border: 1px solid red; padding: 2px;">Deleted: 2</div>
0904	24/09/20	1.0	Once Cadent have provided the summary of what is currently in UNC and what their use is with regards to New Action 0902, Shippers are to consider which option is more suitable.	All Shippers	Pending	<div style="border: 1px solid red; padding: 2px;">Deleted: 3</div>
0905	24/09/20	1.0	CDSP (DA) and Cadent (AC) to review the financial impact of Users utilising reason code 2 and 4.	CDSP (DA) and Cadent (AC)	Pending	<div style="border: 1px solid red; padding: 2px;">Deleted: 4</div>

UNC Workgroup 0736A Minutes
Clarificatory change to the AQ amendment process within TPD G2.3
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The Workgroup Report is due to be presented at the UNC Modification Panel by 17 December 2020.

1.0 Outline of Modification

Steve Mulinganie (SM) introduced the modification as an alternative to Modification 0736 with the addition of Business Rule 4 adding a retrospective element from 01 April 2020.

SM confirmed that the amendments to Modification 0736 addressing the definition of grouping will be reflected in this modification.

Rose Kimber (RK) sought clarification on the retrospective element and asked what the reason for the date being 01 April 2020, adding there is potential that this reason code could have been utilised previous to 01 April 2020.

GE advised that reversing changes to AQ amendments outside of the current gas year has wider impacts on both the fixed and rolling AQs.

KD highlighted that Modification 0736 is Self-governance but the alternative is Authority Direction, and asked should they both be the same? It was clarified that Modification 0736 will also follow the Authority Direction route. Due to the impact on the solutions, AC recognised the implementation will not be as quick as originally intended

SM agreed to add into Modification 0736A an explanation for adding the retrospection element.

New Action 0901: SM to add clarification in the Modification around what is meant by retrospection and what adjustments are expected.

DA explained that he is anticipating that CDSP would be issuing an adjustment that would take the charging back, as if to reverse the AQ correction. He had not anticipated reversal of energy balancing position/UIG etc.

GE advised he is not anticipating a need for a full system solution for that one off activity. DA explained the AQ would apply for the period prior to the reversal, and therefore Reconciliation would not be affected.

DON made the observation that as this modification is retrospective and is for Authority Direction it will slow the process compared to the Self Governance approach proposed for the base 736 modification. This may be in conflict with the industry's desire to move quickly on this (see the minute of the 736 meeting).

Chris Hooper (CH) raised two points:

1. If this modification addresses the incorrect use / interpretation of reason code 3 and allows for retrospective amendments / reversals then the 01 April 2020 date may not be appropriate and an earlier date, back to the last change, should be considered.
2. If code is incorrect, the code has previously been agreed and backdating sets a dangerous precedent, for that reason. CH agrees with the original version of this modification, Modification 0736.

CH requested for an impact assessment if the retrospection went beyond 01 April 2020. However, SM advised that the 01 April 2020 date will remain within his Modification, if a different date is required, a further alternative would need to be raised.

DA anticipates the data is in UKLink and that CDSP could identify the obvious changes within group. This would show the AQ changes and that are associated with reason code 3.

New action 0902: CDSP (DA) to look at AQ amendments from Nexus implementation date.

PL suggested that the proposer makes it clear what aspects are in scope and what are not in terms of the retrospection element.

DON asked if the Draft Modification Report would include, in terms of the retrospection element, who and how they are affected.

SM confirmed the Modification itself identifies the impacted party; this can also be found in the Cadent presentation. All information is available in link in the modification.

In summary, KE confirmed that:

- the modification will require expanding in terms of the definitions of grouping and affiliate;
- analysis for code 2 and 4 impacts will be completed;
- SM is to add clarification around what is meant by retrospection and what adjustments are expected.

Kirsty Dudley (KD) asked if there is any IGT assessment required. SM advised he will discuss with Anne Jackson (IGT) and address this for both Modifications.

New Action 0903: Gazprom Energy (SM) to liaise with IGT to consider if there is an IGT impact with Modification 0736 and 0736A.

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

KE confirmed that:

- the modification will require expanding in terms of the definitions of grouping and affiliate;
- analysis for code 2 and 4 impacts will be completed;
- SM is to add clarification around what is meant by retrospection and what adjustments are expected.

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	Venue	Workgroup Programme
Thursday 22 October 2020	Teleconference	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules • Consideration of Wider Industry Impacts • Consideration of Legal Text • Development of Workgroup Report
Thursday 26 November 2020	Teleconference	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification • Review of Legal Text • Completion of Workgroup Report

Action Table (as at 24 September 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	24/09/20	1.0	SM to add clarification in the Modification around what is meant by retrospection and what adjustments are expected.	Gazprom Energy (SM)	Pending
0902	24/09/20	1.0	CDSP (DA) to look at AQ amendments from Nexus implementation date	CDSP (DA)	Pending
0903	24/09/20	1.0	Gazprom Energy (SM) to liaise with IGT to consider if there is an IGT impact with Modification 0736 and 0736A	Gazprom Energy (SM)	Pending

**UNC Workgroup 0730 Minutes
COVID-19 Capacity Retention Process
Thursday 24 September 2020
via Microsoft Teams**

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0730/240920

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 October 2020.

1.0 Introduction

1.1. Approval of Minutes

The minutes from 27 August 2020 were agreed.

1.2. Approval of Late Papers

There were no late papers for approval.

1.3. Review of Outstanding Actions

Action 0801: Xoserve (DA) to create set of rules/assumptions that can be used to identify those sites isolated under urgent Modification 0723 and report back results at the September meeting.

Update: An update was provided **Closed**

Action 0802: Consider additional workgroup meeting once results from action 0801 (identification of isolated sites under 0723) have been produced.

Update: Additional meeting arranged for 01 October 2020 starting at 2pm.

2.0 Consideration of Modification

2.1. Issues and Questions from Panel

2.1.1. Choice of Isolation Flag and how the Isolation Flag can be identified from a COVID perspective.

This was discussed as part of the August 2020 Workgroup meeting.

3.0 Review of Legal Text

KE shared the proposed legal text relating to Transition Document Part VI – Temporary Measures, where Tracey Saunders explained how the 50% discount would be reflected in a new paragraph 3.7 and is as follows:

3.7 *Where a Relevant Supply Meter Point is deemed Isolated in accordance with this paragraph 3 the Registered User shall only be required to pay fifty per cent (50%) of the LDZ Capacity Charge in respect of the Relevant Supply Meter Point for each Day in the period:*

(a) *commencing, where the Relevant Supply Meter Point was deemed Isolated;*

(i) *on a date earlier than the date on which the Code Modification referred to as Modification 0730 was implemented ("implementation date"), on the implementation date;*

(ii) *on or after the implementation date, on such date;*

(b) *ending on the date the Relevant Supply Meter Point ceases to be Isolated in accordance with paragraph 3.5.*

DA mentioned that he is happy with the suggested legal text. He clarified that CDSP will charge 100% of the LDZ capacity charge, and then rebate 50% of the capacity charge, with this in mind he asked if the rebate would be expected to be within the same invoice month?

The legal text wording says 'shall only be required to pay 50%' suggests it is done within the same month, (the same invoice).

TS explained that the end result is 50% but it is not time bound.

RP suggested the wording needs clarification, to explain that the charge and then subsequent rebate could be in different months and that there could be challenges based on the proposed wording "*the Registered User shall only be required to pay fifty per cent (50%) of the LDZ Capacity Charge*".

PL advised that he has been involved in a similar scenario whereby the suggested rebate was stipulated in UNC (50%) but with no reference no reference to dates or time periods.

It was agreed that paragraph 3.7 requires rewording so that it does not imply the refund will occur within the same month.

RP suggested that TPD Section S – Invoicing and Payment, may need to be looked at to ensure there are no consequences on over charging.

4.0 Development of Workgroup Report

KE confirmed that the Workgroup Report is due to be presented to the 15 October Panel meeting. As part of the consideration and completion of the Workgroup Report, the following areas were discussed:

Reference Documents

Reference to UNC TPD Section S needs to be included.

Solution

It was agreed that the solution requires an amendment to the to be in line with the newly agreed wording in the legal text.

Cross Code Impacts

GE agreed to liaise with IGT to clarify if there is a cross code impact.

Relevant objectives

It was identified that the Relevant Objectives need updating, the impacted objectives listed identified c) yet the evidence referred to a) and d).

The Charging Relevant Objectives require no amendment.

David O'Neill (DON) raised the following points:

1. DON asked if the Modification only applies to completely isolated sites (ie if there is a big COVID-19 related demand reduction will that user benefit from this mod)? GE confirmed this was the case – it only applies to completely isolated sites.
2. DON asked, given some concern expressed about this sterilising capacity, if any thought had been given to a Network Charge Deferral approach at supply points (given there was still a lot of headroom as there had not been much take-up of 726).?
3. DON asked if this Modification has a retrospective element (i.e. will it discount capacity charges paid in the past)? It was explained that according to business rule 4, it will not

GE advised that only sites that have been isolated under Modification 0723 are affected by this modification and clarified that Business Rule 1, within the solution for this modification refers to all sites that are specifically related to *Modification 0723 (Urgent) - Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period.*

Rough Order of Magnitude (ROM) Assessment

It was confirmed that a ROM is not required.

Workgroup discussion concluded that, for reasons of criticality for the current pandemic, the sooner this modification is implemented the sooner those that need the relief will get it. It was agreed that an extra meeting to review the amended Legal Text and amended Modification is preferable than requesting a further month extension at UNC Panel on 15 October 2020.

An invitation and an agenda has been published for Thursday 01 October 2020 at 2pm.

DON asked if Modification 0723 is future proofed or will future lockdowns need a new modification?

TS clarified that Modification 0723 is future proofed, this can be seen in the clause in general terms C and that lawyers are currently looking at that. It was confirmed that 0730 would also be future proofed.

RP there should not be many sites still isolated under Modification 0723

TS confirmed she is working with Xoserve to complete an exercise to identify valid isolations under Modification 0723.

DA clarified Xoserve have the data sets, and he is looking to get that report out within the next week.

5.0 Next Steps

KE confirmed that Workgroup will consider the revised Legal Text and amended Modification at the extra meeting being held on Thursday 01 October 2020.

The Workgroup Report will then be completed and submitted to UNC Panel on 15 October 2020.

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	Venue	Programme
Thursday 01 October 2020 2pm	Teleconference	<ul style="list-style-type: none"> Review amended Legal Text Review amended Modification Complete Workgroup Report

Action Table (as at 24 September 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0801	27/08/20	2.1.1	Xoserve (DA) to create set of rules/assumptions that can be used to identify those sites isolated under urgent Modification 0723 and report back results at the September meeting.	CDSP (DA)	Closed
0802	27/08/20	5.0	Consider additional workgroup meeting once results from action 0801 (identification of isolated sites under 0723) have been produced.	Joint Office (KE)	Closed

UNC Workgroup 0734S Minutes
Reporting Valid Confirmed Theft of Gas into Central Systems
Thursday 24 September 2020
via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0734/240920>

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

1.0 Introduction

1.1. Approval of Minutes

Ellie Rogers provided a small change to the published minutes. The minutes will be updated and re-published including a new consolidated set of minutes on the main Distribution Workgroup meeting page.

On this basis, the minutes from 27 August 2020 were agreed.

1.2. Approval of Late Papers

There were no late papers for approval.

1.3. Review of Outstanding Actions

No outstanding actions.

2.0 Consideration of Modification

Fraser Mathieson (FM) introduced the modification and confirmed the intent of this Modification is to introduce a new process to help ensure that valid confirmed theft data, received from Suppliers, is appropriately reported into central systems.

FM went on to explain that there is a lack of provision in UNC to ensure that when Suppliers report a theft, the communication to the Transporters needs to be reviewed. FM advised that a change has been implemented in SPAA to support certain minimum data items being provided when reporting theft.

When asked if the focus is to identify what is missing from the Contact Management Service system (CMS) or the Theft Risk Advisory Service (TRAS) system, FM confirmed that getting theft of gas into Settlement is the main aim of this modification.

It was agreed that there may be reasons why in some instances Theft of Gas (ToG) is recorded within CMS and not in TRAS, this is an area that may need a bit more looking at.

The key focus is to improve theft reporting to make sure confirmed theft is getting through to Settlement.

FM went on to highlight the key points in the modification:

Solution:

It is recommended that there is an obligation to create an automated process that will update CMS.

FM advised that Schedule 33 states that Suppliers should inform of all suspected theft, whether it is confirmed theft or not and asked Workgroup to consider what it is that the System would really need, confirmed theft or suspected theft.

KD highlighted that SPAA refers to just confirmed theft, whereas this modification is referring to all theft and suggested this inconsistency needs to be looked at.

FM suggested that CMS is possibly less interested in suspected theft, ER clarified the route that is required for a theft and where a theft is deemed valid and requires to be pursued, that is when the theft will be grouped to go into Settlement.

FM clarified that the Joint Theft Reporting Review Group (JTRR) concluded it is better to change CMS when a suspected theft is raised rather than when the theft is confirmed.

It was agreed that KD will liaise with FM regarding any changes to SPAA.

New Action 0901: KD and FM to discuss what needs to be implemented in SPAA to ensure it remains consistent with UNC.

Dave Addison (DA) asked if any conclusion has been reached as to why there is a discrepancy between Shipper and Supplier data. FM clarified it appears to be because there is no communication link. KD added that the CMS system is sometimes difficult to navigate and Users struggle with the system.

KE if the issue is with people finding the system hard to navigate, will a change to UNC make a difference and resolve this issue?

DA clarified that the Supplier has an obligation in SPAA to notify the Shipper of a confirmed theft; TRAS, acts as agent of the Supplier, CDSP acts as agent of the Shipper. The Shipper has the opportunity to challenge and close the theft down if they do not think it is a valid theft.

FM confirmed that the Supplier has the obligation to report the theft, they use TRAS to provide the confirmed theft and TRAS is the central repository for holding that data.

KD confirmed that the schedule allows a User to confirm a theft but then the User can withdraw it at a later date for which there is no time limit. FM suggested the withdrawal process should just sit in the CDSP process and not be documented in UNC.

It was confirmed that a change to the systems and UNC was necessary to resolve this issue.

New Action 0902: CDSP (DA) CDSP to review the process to understand whether it can deliver the solution based on the Business Rules as defined in the Modification:

what is already in place;

what is easy to implement; and

what is considered more a fundamental change.

It was agreed there is a need to consider if there is a requirement for a reversal and what the process would be if the reversal is not accounted for within the code.

FM concluded that the solution should be placed in to UNC at a high level and then a guidance document for CDSP as to what needs to happen.

The solution needs a combination of UNC change, an obligation placed on the right parties and a solution to make it easier for Users to navigate through the process

KD advised there is a need to really understand what the business rules are and how the solution will deliver the business rules.

New Action 0902: SPAA (FM) to provide more clarity to cover the requirements for SPAA.

New Action 0903: SPAA (FM) to investigate on what basis can a Shipper object to what is coming from the Supplier.

DA highlighted his concern that a theft could get all way through to settlement and then there could be a withdrawal. The process needs to be explicit.

2.1. Issues and Questions from Panel

KE advised that the UNC Modification Panel has asked the Workgroup to consider two specific questions:

2.1.1. Workgroup to consider whether self-governance status is/remains applicable

This will be discussed at the next Workgroup.

2.1.2. Workgroup to consider any potential cross Code impacts and implementation timelines

This will be discussed at the next Workgroup.

3.0 Review of Business Rules

This will be discussed at the next Workgroup.

4.0 Consideration of Draft Legal Text

This will be discussed at the next Workgroup.

5.0 Development of Workgroup Report

This will be discussed at the next Workgroup.

6.0 Next Steps

KE summarised the initial discussion, stating that the Workgroup has three months development time. The key areas discussed and agreed by Workgroup include the need to:

1. Review the Business rules within the Modification to determine whether the definition of 'Not Valid' needs to be expanded or included.
2. CDSP to review the process to understand whether it can deliver the solution based on the Business Rules as defined in the Modification
 - a. what is already in place;
 - b. what is easy to implement; and
 - c. what is considered more a fundamental change.
3. Consideration of what needs to be included in UNC and what goes into the DSC.

7.0 Any Other Business

None.

8.0 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	Venue	Workgroup Programme
Thursday 22 October 2020	Teleconference	Distribution Workgroup standard Agenda
Thursday 26 November 2020	Teleconference	Distribution Workgroup standard Agenda
Monday 14 December 2020	Teleconference	Distribution Workgroup standard Agenda

Action Table (as at 24 September 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	24/09/20	2.0	KD and FM to discuss what needs to be implemented in SPAA to ensure it remains consistent with UNC.	E.ON (KD) and SPAA (FM)	Pending
0902	24/09/20		CDSP (DA) CDSP to review the process to understand whether it can deliver the solution based on the Business Rules as defined in the Modification: What is already in place; What is easy to implement; and What is considered more a fundamental change	CDSP (DA)	Pending
0903	24/09/20	2.0	SPAA (FM) to provide more clarity to cover the requirements for SPAA	SPAA (FM)	Pending

0904	24/09/20	2.0	SPAA (FM) to investigate on what basis can a Shipper object to what is coming from the Supplier.	SPAA (FM)	Pending
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**UNC Workgroup 0693R Minutes
Treatment of kWh error arising from statutory volume-energy
conversion**

Thursday 24 September 2020

Via Teleconference

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0693/240920>

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

1. Introduction and Status Review

Kate Elleman (KE) welcomed everyone to the meeting.

FC provided a brief summary of the status of the outstanding actions and reminded Workgroup of the action to assess the Options Analysis Table (Action 0604) and to provide feedback directly to Mark.Bellman@scottishpower.com and fiona.cottam@xoserve.com. This will form the basis of the October 2020 meeting.

1.1. Approval of Minutes (28 July 2020)

The Workgroup accepted the minutes.

1.2. Approval of Late Papers

KE advised there were no late papers submitted for this Workgroup.

1.3. Review of Outstanding Actions

Action 0901: Xoserve to provide update on the meter temperature data exercise from the AUG Subcommittee.

Update: Fiona Cottam (FC) confirmed this action will be progressed next month. **Carried Forward to October 2020**

Action 0602: Xoserve (FC) to contact the new AUG Subcommittee; Engage Consulting in reference to the Wallace Report findings; the gas and water-cooling properties.

Update: No update provided. **Carried Forward to October 2020**

Action 0604: All to assess the Options Analysis Table in readiness for further discussion at the meeting on 28 July 2020 and to provide feedback directly to Mark.Bellman@scottishpower.com and fiona.cottam@xoserve.com by Monday 20 July 2020.

Update: No update provided. **Carried Forward to October 2020**

Action 0701: FC to include AUGE 2021 Table and the impact of standard conversion factors in Options Table and update the Workgroup at the next meeting.

Update: FC explained she is halfway through producing this document. She advised that if this paper is not completed it would be a barrier to progress this Review Workgroup. **Carried Forward to October 2020**

Action 0702: FC or MB to discuss the impact of Gemini on Option 11 with Phil Lucas at National Grid.

Update: No update provided. **Carried Forward to October 2020**

2. Review of updated Options Analysis Table to include Thermal Energy Regulations

FC updated the Workgroup advising that UIG Workgroup struggled to get traction on this topic adding it is a very simple concept but with quite complex solutions.

FC provided a brief update and advised she has carried out some options work of which there were 12 options. The 12 options have now been narrowed down to 4 options which are currently being formed into a paper which will be discussed at the next meeting in October 2020.

FC confirmed she will provide the Options paper ready for the October meeting which could mean Workgroup may be in a position to have a recommendation in November ready for the December UNC Panel.

3. Development of Workgroup Report

This will be covered at the next meeting in October 2020.

4. Next Steps

KE confirmed the next steps to be:

- Xoserve to complete the Options paper and bring to the October 2020 Workgroup.
- Development of the Workgroup Report.

5. Any other business

None.

6. Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
Thursday 22 October 2020	Teleconference	Options paper review
Thursday 26 November 2020	Teleconference	Development of Workgroup Report
Monday 14 December 2020	Teleconference	Completion of Workgroup Report

Action Table (as at 24 September 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	23/09/19	2.0	Xoserve to provide update on the meter temperature data exercise from the AUG Subcommittee.	Xoserve (FC)	Carried Forward
0602	16/06/20	1.3	Xoserve (FC) to contact the new AUGE Engage Consulting in reference to the Wallace Report findings; the gas and water-cooling properties.	Xoserve (FC)	Carried Forward
0604	16/06/20	2.0	All to assess the Options Analysis Table in readiness for further discussion at the meeting on 28 July 2020 and to provide feedback directly to Mark.Bellman@scottishpower.com and fiona.cottam@xoserve.com by Monday 20 July 2020.	All	Carried Forward
0701	28/07/20	2.0	FC to include AUGE 2021 Table and the impact of standard conversion factors in Options Table and update the Workgroup at the next meeting.	Xoserve (FC)	Pending
0702	28/07/20	2.0	FC or MB to discuss the impact of Gemini on Option 11 with Phil Lucas at National Grid.	ScottishPower (MB) and Xoserve (FC)	Pending

UNC Workgroup 0735 Minutes
Clarificatory change to the AQ amendment process within TPD G2.3
Thursday 24 September 2020
via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (agenda item 3.0)
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0735/240920>

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

1.0 Outline of Modification

Phil Lucas (PL) introduced the modification and confirmed the intent of the modification:

A number of minor changes to the Uniform Network Code (UNC) are required as a consequence of the end of the implementation period following the United Kingdom (UK) withdrawal from the European Union (EU). In principle, these changes modify existing references to EU regulations with reference to UK amendment regulations and where appropriate remove references to EU entities.

He then went on to explain the following timeline:

- 23 Jun 2016 - EU referendum
- 08 Feb 2019 - Modification 0680 - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union, raised to address 'no deal' exit

- Feb/Mar 2019 - 0680S Workgroups
- Mar/Apr 2019 - 0680S Consultation
- 31 Jan 2020 - GB exit the European Union with a Withdrawal Agreement
- 18 Feb 2020 - Modification 0680S withdrawn
- 31 Dec 2020 - marks the end of the GB exit 'Implementation Period'

Why Change

PL explained that the UNC contains a number of references to EU Regulations and EU institutions that require revision, removal and/or updating following GB's exit from the EU.

Proposed Solution

PL clarified that the existing references to EU Regulations; EU institutions etc require revision, removal and/or amendment. He highlighted that this modification is only required in the event that there is no trade agreement.

Development

PL advised the Workgroup of the intended Timeline for the development of this Workgroup:

- 24 Sep 2020 - Distribution Workgroup
- 01 Oct 2020 - Transmission Workgroup
- 22 Oct 2020 - Distribution Workgroup
- 05 Nov 2020 - Transmission Workgroup

To Do

PL clarified the responsibility of the Workgroup will be to:

- Recommend governance route (self-governance / Authority direction)
- Verify impact and name of Statutory Instruments
- Understand proposed changes to Transporter Licence (EU Retained Law etc)
- Finalise legal text
- Maintain awareness of political developments

In particular, PL wanted to discuss with Workgroup the governance route that this modification should take, he reiterated that this proposal is to make minor changes to the Modification Rules to refine the definition of EU regulation 715/2009 and to add supporting definitions of 'legally binding decisions' and 'EU retained law'.

PL explained that UNC Panel were cautious and directed that the governance for this modification should be Authority Directions on the basis of an interpretation of the following guidance which can be found here: <https://www.gasgovernance.co.uk/mods>

Effect on	Likely to require Authority decision if your proposal....
UNC governance or modification procedures	<ul style="list-style-type: none"> • Affects the rights of the industry to be engaged in proposed changes to the UNC. • Changes the User or Transporter representation obligations. • Changes any Authority decision-making capacity

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Workgroup are requested to provide views on the potential suitability of Self-Governance status.

PL informed Workgroup of the National Grid view on the proposed governance route and advised that the proposed changes to the Modification Rules do not:

- affect the rights of the industry to be engaged;
- change User of Transporter representation obligations; nor
- change Ofgem's decision making capacity

PL confirmed that on this basis, application of self-governance is appropriate and should be the Workgroup recommendation in the Workgroup Report.

Members of the Workgroup agreed with this approach.

2.2. Initial Representations

None received.

2.3. Terms of Reference

<https://www.gasgovernance.co.uk/0735/>

3.0 Next Steps

KE confirmed the understanding that this modification should be Authority Direction, however, looking at the three points raised by National Grid, Workgroup is comfortable that it can go down the self-governance route.

KE clarified that, due to this modification being discussed at both Distribution Workgroup and Transmission Workgroup, one Workgroup Report will be created that will sit in between both Workgroups, this will be coordinated by Joint Office.

It is suggested that participants of Distribution Workgroup participate in the Transmission Workgroup meetings where possible.

The completion of the Workgroup Report will be at the last meeting within the Transmission Workgroup on 05 November 2020.

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	Venue	Workgroup Programme
Thursday 01 October 2020 10:00 (Transmission Workgroup)	Teleconference	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules • Consideration of Wider Industry Impacts • Consideration of Legal Text • Development of Workgroup Report
Thursday 22 October 2020 10:00	Teleconference	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules

(Distribution Workgroup)		<ul style="list-style-type: none"> • Consideration of Wider Industry Impacts • Consideration of Legal Text • Development of Workgroup Report
Thursday 05 November 2020 10:00 (Transmission Workgroup)	Teleconference	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules • Consideration of Wider Industry Impacts • Consideration of Legal Text • Completion of Workgroup Report

Action Table (as at 24 September 2020)

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