

UNC Distribution Workgroup Minutes
Thursday 27 August 2020
via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Alan Raper	(AR)	Joint Office
Carl Whitehouse	(CW)	Shell
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
Jon Dixon	(JD)	Ofgem
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Nigel Bradbury	(NB)	CIA
Oorlagh Chapman	(OC)	Centrica
Paul Youngman	(PY)	Drax
Richard Pomroy	(RP)	Wales & West Utilities
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/dist270820

1. Introduction and Status Review

Kate Elleman (KE) welcomed everyone to the meeting.

1.1. Approval of Minutes (23 July 2020)

The minutes from the previous meetings were agreed subject to a change in relation to a clarification provided by Ofgem to agenda item 1.4.

1.2. Approval of late papers

There were no late papers for approval.

1.3. Review Outstanding Actions

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

Update: ER confirmed that the presentation provided to the July Workgroup is to be presented to the DSG meeting on 28 September 202. A further update will be provided at the October Workgroup meeting including feedback from the DSG meeting.

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: DA updated the Workgroup stating that Xoserve are considering the number of instances where consumption has been curtailed by use of the Tenancy Flag. The outcomes of the analysis will be shared at the September meeting.

Carried Forward to September

Action 0601/0602: *Review of Modification 0722 - Allow Users to submit Estimated Meter Reading during Covid / Consider options for dealing with consequences of estimated-actual Meter Reads (Modification 0722).*

Update: ER confirmed that no comments have been received to the presentation provided at the July Workgroup meeting. Workgroup agreed to close this action.

Closed

Action 0603: Joint Office (AR) to produce a handover plan for when UIG is disbanded and any items move from UIG to DWG.

Update: Handover Plan discussed under agenda item 3.0.

Closed

Action 0606: Mod 186 Reporting at DNCMF - Xoserve and Gas Transporters to investigate the matter and provide a statement to the JO for publication to the Workgroup by 10 July 2020.

Update: Guv Dosanjh (GD) on behalf of Transporters provided a statement following completion of their investigation.

Closed

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 (DA) to advise if they can provide analysis of AQ changes which would provide evidence to support whether a new Modification was required. Workgroup agreed to leave this action open for one month and then close if no further analysis can be carried out.

Carried Forward

Action 0702: Consider Options for dealing with consequences of estimated-actual Meter Reads (Modification 0722):

How feasible is any solution based on existing Shipper obligations?

- Are they viable without an obligation?
- How should any obligation (if needed) be applied?

Any solution options to discount?

- User to CDSP data
- CDSP to User data.

Update: ER confirmed that no comments have been received to the presentation provided at the July Workgroup meeting. Workgroup agreed to close this action.

Closed

1.4. Modifications with Ofgem

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

Modification 0692S - Automatic updates to Meter Read Frequency

KE reported that the Joint Office has written to Ofgem in relation to the Modifications 0687 and 0692S to seek a likely decision date and highlighting Xoserve system deadlines and the

decision taken at the August DSC Change Management Committee to descope the work for delivery as part of the UK Link June 2021 release if a decision has not been made by 25 October 2020.

1.5. Pre-Modification discussions

In relation to Action 0606, GD stated that the Transporter investigations had provided no evidence that a Shipper user did not act in good faith.

Guv Dosanjh (GD) advised that Cadent are intending to propose a Modification to clarify that a User within the same organisation or an affiliate of the previously Registered User cannot utilise 'Eligible Reason Code 3' (UNC TPD G2.3.21) to justify an AQ amendment.

SM asked to see the legal statement arising from the investigation and the rationale for Cadent coming to the conclusion that the Shipper user had acted in good faith.

GD stated that the Legal Advice provided to Transporters is confidential and privileged and cannot be shared.

Regarding action 0606, SM asked for confirmation for the avoidance of doubt that if the relevant party acted in good faith then any equivalent action, undertaken in accordance with the same relevant text of the UNC, would also be considered to have been undertaken in good faith.

JD recognised that there was a material impact of approximately £10m and agreed to consider if there are any further actions that need to be taken by Ofgem. He accepted that Gas Transporters were not in a position to take any further action and also agreed that it would be helpful to address any loopholes in the UNC.

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

2. Workgroups

2.1. 0710 - CDSP provision of Class 1 read service

(Report to Panel 17 September 2020)

www.gasgovernance.co.uk/0710

2.2. 0730 - COVID-19 Capacity Retention Process

(Report to Panel 15 October 2020)

www.gasgovernance.co.uk/0730

2.3. 0734S - Reporting Valid Confirmed Theft of Gas into Central Systems

(Report to Panel 17 December 2020)

www.gasgovernance.co.uk/0734

3. UIG Update

3.1. UIG Update

Fiona Cottam (FC) confirmed that there is no update for this month.

3.2. UIG Workgroup Handover Plan

Following discussion, KE confirmed 0693R - *Treatment of kWh error arising from statutory volume-energy conversion* would move to Distribution Workgroup and 0664 - *Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4* and 0691S - *CDSP to convert Class 2, 3 or 4 Supply Meter Points to Class 1 when G1.6.15 criteria are met* would be managed as standalone workgroups.

The last meeting of the UIG Workgroup was held on 28 July 2020 and the UIG recommendations list would now be discussed at Distribution Workgroup from September onwards.

The UIG Handover Plan can be found here:

<https://www.gasgovernance.co.uk/dist/270820>

4. COVID-19 Issues

4.1. Update from August 2020 UNC Panel

The final report for Modifications 0722 / 0723 / 0724 was presented to the August UNC Modification Panel (Panel) meeting. Panel agreed that the topic of these Modifications should continue to be discussed at Distribution Workgroup and escalated to the Performance Assurance Committee (PAC) as appropriate. No further reporting is required to Panel.

Panel also noted the interim report for Modification 0726 and requested a final update to the September Panel meeting. A number of minor errors were noted in relation to Table 1 which provided cumulative data for the three-month period to July 2020. The report has subsequently been updated and republished.

4.2. Exception Reporting to UNC Panel

Panel confirmed any new COVID-19 related issues would be reported on an exceptions basis.

5. CSS Consequential Changes – Detailed Design Report

There was no update this month.

6. Issues

None raised.

7. Any Other Business

7.1. Customer Count Reporting (KD)

Discussion deferred to the September meeting.

7.2. Sales Banning (FM)

Fraser Mathieson (FM) stated that the Ofgem enforcement team has contacted SPAA to discuss if it is possible to block new registrations for Suppliers who are subject to sales banning orders following an issue in 2018 where a Supplier under a banning order took on new customers by transferring all of their Supply Points to an affiliate licensee.

FM asked what the best mechanism would be to block the transfer of such registrations and whether that is via the UNC or DSC Governance.

The following comments/observations/issue were raised in discussion:

- a. How to distinguish between registrations that are subject to an enforcement order?
- b. How to enforce the ban and ensure transfers are not taking place and what reporting might be needed from the CDSP?
- c. The introduction of a sanctions process on Shippers?

DA offered to join the next meeting between SPAA and Ofgem.

7.3. Class 1 Ratchet Charge Guidance Document

The UNCC at the 20 August 2020 meeting approved an amendment to the document requested by Northern Gas Networks to state that IGT Supply Points may be designated to Class 1, if the Distribution Network Operator (DNO) has a Network Exit Agreement (NEXA) in

place with the IGT that specifically references the site, and the site is the sole site on the Connected System Exit Point (CSEP) offtake.

KE added that UNCC Members had suggested a name change and advised that a fast-track self-governance Modification would be required to make this change as the document is referenced in the UNC. The suggested title was “*Transporter Nominated Class 1 Guidance Document*”.

SM asked a question in relation to the appeals process which allows Shippers to raise an objection to a Supply Point being identified for inclusion in the Supply Point Ratchet Charging regime. SM asked where the appeal has been rejected can the Shipper challenge the appeal decision.

~~SM also asked if Shippers were able to appeal sites which were already network designated but had been included within the list of sites for the next gas year (2020/21).~~

ER indicated that the Class 1 Ratchet Charge Guidance Document is silent on this

David Mitchell(DM) suggested that the appeal could be challenged by following the rules in the Transporter Nominated Class 1 Guidance Document.

~~(<https://www.gasgovernance.co.uk/tpddocs>)~~

~~under the UNC General Terms, Section A.~~

~~d. The introduction of a sanctions process on Shippers?~~

~~DA offered to join the next meeting between SPAA and Ofgem.~~

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

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8. Diary Planning

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

KE confirmed that the remainder of the Distribution Workgroup meetings for 2020 are likely to be held by Teleconference.

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
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Action Table (as of 27 August 2020)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
1202	19/12/19	6.3	<p>Deriving Formula Year AQ for New Class 3 and 4 Supply Meter Points</p> <p>(Original Action: Xoserve (DA) to assess the material effort to correct the formula for Class 3 and 4 New Supply Meter Points)</p> <p>Update: presentation shared at July DWG. Agreed to provide further update at Oct DWG meeting following DSG in Sep.</p>	September 2020	CDSP (ER)	Carried Forward (further update at Oct meeting)
0103 & 0104	23/01/20	3.0	<p>Change of Tenancy Flag / CSS issues</p> <p>(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.)</p> <p>Update:</p> <p>Conducting further analysis which will be shared at Sep DWG.</p>	September 2020	CDSP (ER)	Carried Forward
0601 & 0602	25/06/20		<p>Consider options for dealing with consequences of estimated-actual Meter Reads (Mod 0722)</p>	July 2020	CDSP (DA)	Closed
0603	25/06/20		<p>Joint Office (AR) to produce a handover plan for when UIG is disbanded and any items move from UIG to DWG</p>	August 2020	Joint Office (AR)	Closed

0606	25/06/20		<p>Mod 186 Reporting at DNCMF</p> <p>Xoserve and Gas Transporters to investigate the matter and provide a statement to the JO for publication to the Workgroup by 10 July 2020.</p>	August 2020	Xoserve and Gas Transporters	Closed
0701	23/07/20	1.3	<p>CDSP (DA) to advise if they can provide analysis of AQ changes which would provide evidence to support whether a new modification was required.</p>	September 2020	CDSP (DA)	Carried Forward
0702	23/07/20	4.1	<p><i>Consider Options for dealing with consequences of estimated-actual Meter Reads (Modification 0722):</i></p> <p>All Distribution Workgroup participants to provide views based on the discussions minuted as soon as possible, specifically:</p> <p>How feasible is any solution based on existing Shipper obligations?</p> <ul style="list-style-type: none"> • Are they viable without an obligation? • How should any obligation (if needed) be applied? <p>Any solution options to discount?</p> <ul style="list-style-type: none"> • User to CDSP data • CDSP to User data 	August 2020	All Distribution Workgroup	Closed
0801	27/08/20	1.5	<p>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</p>	September 2020	Ofgem (JD)	Pending

Joint Office of Gas Transporters

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)	Pending
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**UNC Workgroup 0730 Minutes
COVID-19 Capacity Retention Process
Thursday 27 August 2020
via Microsoft Teams**

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Alan Raper	(AR)	Joint Office
Carl Whitehouse	(CW)	Shell
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Jon Dixon	(JD)	Ofgem
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Nigel Bradbury	(NB)	CIA
Oorlagh Chapman	(OC)	Centrica
Paul Youngman	(PY)	Drax
Richard Pomroy	(RP)	Wales & West Utilities
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/0730/270820

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 23 July 2020 were agreed.

1.2. Approval of Late Papers

There were no late papers for approval.

1.3. Review of Outstanding Actions

Action 0701: SM to provide an amended set of Business Rules.

Update: An amended Modification with revised business rules was submitted and discussed under agenda item 2.0

Closed

2.0 Consideration of Modification

Gareth Evans (GE) provided a brief overview of the amended Modification which includes changes to the solution section.

Business Rule 3 (BR3)

This BR has been amended to address any sites isolated under Modification 0723 (Urgent) - *Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period* following the implementation of this Modification.

Business Rule 4

GE explained that BR4 has been removed and replaced with a new BR4 to remove any ambiguity and to provide clarity:

New BR4. For any sites already isolated under UNC723 prior to implementation of this modification any replacement of the normal Capacity Charge with the *capacity retention charge* will apply from the date of the implementation of this modification until the earlier of either:

- (i) the removal of the Supply Point from the Isolated status or
- (ii) the end of the relevant period (COVID-19 period).

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.

In relation to BR1, Dave Addison (DA) raised a concern around how sites, where the isolation flag had been applied under the urgent Modification 0723, would be identified.

Workgroup had a lengthy discussion on the issue around how Xoserve would apply the solution given that it is not possible to identify specific sites that had the isolation flag applied under Modification 0723.

Tracey Saunders (TS) stated that sites isolated under the urgent Modification 0723 are treated the same as warranted isolated sites and as such receive relief from commodity charges. She added that under Modification 0730 it is important to understand the nature of the isolation and whether it is a warranted isolation or an isolation under Modification 0723. The effect of an isolated site is the same regardless of whether it is a true isolation or a 0723 isolation. There is an expectation that these sites will have the isolation flag removed at the point the site comes out of any lockdown restrictions.

DA reported that there are on average 3,000 isolations per month and that during the lockdown period this reduced to approximately 1,200 isolations per month. Of the 1,200 isolations there appear to be some very old / spurious isolation effective dates. DA quoted an example of an isolation effective date which was from 5/6 years ago.

TS suggested that the majority of the COVID-19 related isolations should have had the flag removed due to the majority of lockdown restrictions having now been removed and if so, this would leave only true isolations in the 1,200 pot.

SM suggested that as well as some non-compliance of the rules (i.e. isolation flags not being removed for isolations made under Modification 0723) there may also be some valid 0723 isolations due to regional lockdowns and restrictions.

Kate Elleman (KE) summarised the discussion to state that Workgroup agreed with the principle of the Modification and business rules but more consideration was needed on the identification of sites in scope of Modification 0723 in order to be able to implement the solution.

Jon Dixon (JD) asked if these sites could be identified by a process of elimination given that warranted isolations are required to provide a valid meter read.

DA confirmed that all sites have to submit a meter reads in order to meet the criteria. The reads for sites isolated under Modification 0723 are on a best estimate basis and when the flag is removed the same best estimate must be used.

A brief discussion took place on file flows with DA confirming that details of the isolation are provided.

Following a lengthy discussion about the validity of isolations and in response to a question from GE about how Xoserve could operate BR1, DA suggested that Xoserve would need to define BR1 to identify the sites. This would be through the development of criteria to help identify sites that fell within the scope of 0723.

He added that the preference would be to include an avoidance of doubt statement alongside the criteria.

He suggested that Xoserve could undertake some analysis to identify the parties who have utilised Modification 0723 and share the report with Shippers.

GE stated that he would be concerned about an approach that required evidence of another Modifications robustness. He asked Northern Gas Networks (NGN) if any action was being taken to address non-valid isolations.

TS suggested that NGN have had some discussions with CDSP and evidence of warranted sites could be obtained but this would only include current and previous isolations and not future isolations.

KE concluded that understanding of BR1 needs to be explored and expanded in terms of what the Xoserve criteria would consist of and then tested with real data.

SM stated that BR1 would not be expanded but an additional validation step would be added 'for the avoidance of doubt'.

New 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.

Paul Youngman (PY) asked about the isolated sites that have been isolated for a long time and whether they are still required to pay capacity charges.

Richard Pomroy (RP) confirmed that charges would still be paid for Shippers that have not withdrawn.

PY asked what proportion of DN cost does this represent and how much would be picked up other sites still using gas.

RP confirmed that if a site is isolated, a Shipper can resume supply once the isolation is removed.

SM suggested that Modification 0730 could be applied to all isolated sites.

PY thought this would help to give an understanding of costs to all parties.

It was also suggested that Xoserve consider the central system impacts in relation to the capacity charge discount.

Nigel Bradbury (NB) stressed the importance of helping struggling businesses and indicated that some are likely not to reopen. He reminded Workgroup that originally the

Modification proposal was submitted for urgency status and this was not granted by Ofgem but the intent of the Modification was to support these businesses by providing some immediate relief. He urged the Workgroup to consider the impact on these businesses and consider what could work in terms of an implementable solution.

GE acknowledged the need for a quick development and emphasised the need to understand the impact through the analysis Xoserve will provide and also consider how the Business Rules will work in practice. He also welcomed the fact that the principle of the Modification was not being challenged.

SM suggested that as the Proposer he would like to develop and finalise the Workgroup Report at the September meeting.

It was suggested that an additional meeting may be needed to discuss the Xoserve data on isolated sites.

2.1.2. Consider IGT impact

KD stated that SM had provided a presentation at the IGTUNC Panel meeting and no cross-code impacts have been identified and no IGT Modification has been raised.

3.0 Review of Legal Text

TS as the Legal Text provider sought clarification of the next steps in relation to the Legal Text reminding Workgroup that Legal Text available was based on the urgent Modification.

SM confirmed that under this new Modification the arrangements are likely to be extended which may impact on the Legal Text as currently drafted.

TS agreed that changes would not be made until the revisions to the Modification are complete.

4.0 Development of Workgroup Report

Development of the Workgroup Report was deferred to the September meeting.

A brief discussion took place on costs.

DA suggested that a Rough Order of Magnitude (ROM) would need to include a number of activities including the production of a monthly activity report to identify sites; a manual short-term process to undertake a single adjustment against Shipper sites. He suggested that there would be no requirement for systems changes but some resource to test the validity of sites might be needed.

A brief discussion took place on whether anything needed to be put in place to address the misuse of the process or whether that should be regarded as a 'breach of contract'.

5.0 Next Steps

KE confirmed that the September meeting would consider the rules/assumptions that can be used to identify those sites isolated under urgent Modification 0723 and Joint Office would consider whether an additional meeting is needed to discuss the Xoserve analysis.

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

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 24 September 2020	Microsoft Teams Meeting	Workgroup standard Agenda

Action Table (as at 27 August 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0701	23/07/20	2.2	SM to provide an amended set of Business Rules.	Proposer (SM)	Closed
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)	Pending
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)	Pending

UNC Workgroup 0710 Agenda
CDSP provision of Class 1 Read Service
Thursday 27 August 2020
Via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Alan Raper	(AR)	Joint Office
Carl Whitehouse	(CW)	Shell
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
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Guv Dosanjh	(GD)	Cadent
Jon Dixon	(JD)	Ofgem
Kirsty Dudley	(KD)	E.ON
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Oorlagh Chapman	(OC)	Centrica
Paul Youngman	(PY)	Drax
Richard Pomroy	(RP)	Wales & West Utilities
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/0710/270820

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

1.0 Introduction

1.1. Approval of Minutes (23 July 2020)

The minutes from 23 July 2020 were agreed.

1.2. Approval of Late Papers

There were no late papers for approval.

1.3. Review of outstanding actions relating to Modification 0710

Action 0401: CDSP (DA/ER) to clarify the new CDSP charging structure with a view to having them made visible as part of the development of this Modification.

Update: Workgroup agreed to include the new CDSP Charging Calculation structure in the Workgroup Report.

Closed

Action 0701: Action 0401 - CDSP (DA/ER) to clarify the new CDSP charging structure with a view to having them made visible as part of the development of this Modification: AR to consider providing a table of current charges to show how the charges are structured across the individual networks.

Update: Due to the disparity in how each DN displays charges it was agreed that a table was not appropriate.

Closed

Action 0702: CDSP (DA) to describe the scenarios when receiving a physical reading that is remarkably different to the reading from DMSP.

Update: This was discussed as part of agenda item 3.0

Closed

Action 0703: RP to bring back a revised version of the Legal Text to the August Workgroup meeting.

Update: This was covered as part of agenda item 3.0.

Closed

2.0 Consideration of Amended Modification

There were no amendments to the Modification for discussion.

3.0 Review of Legal Text

Richard Pomroy (RP) provided a detailed walkthrough of the Legal Text changes which were shown in mark-up. The key changes were to the following sections of the *Transportation Principal Document*:

Section B – System Use and Capacity

- a. Paragraph 8.12.3 (c) was deleted and replaced with new paragraph 8.12.3 (c): “Section M6.6.1;”.

Section G – Supply Points

- b. In paragraph 2.1.3(f) the words “Section M6.7.1” were deleted and replaced with the words “Section M7.2.1”.
- c. Paragraph 2.1.5 replaced with a new paragraph 2.1.5 which is required due to the separation of service provider for datalogged and telemetered sites.
- d. Steve Mulinganie (SM) pointed out an error in relation to the new paragraph 2.1.5 9 (b), Section 7.2.1 should say Section M7.2.1.
- e. Paragraph 2.1.6(c) was deleted and replaced with a new paragraph 2.1.6(c).
- f. Paragraph 2.2.5 was deleted and replaced with a new paragraph 2.2.5.

SM asked what would happen if CDSP did not discharge their obligation and obtain a meter reading and would this mean that Shippers would have to provide the reads? RP indicated that the UNC is drafted on the basis that parties will carry out the functions as set out. SM asked if any kind of safety net is needed. RP suggested that failure to provide the information would be a performance issue and would be considered by the Performance Assurance Committee (PAC) and also DSC Contract Committee.

Paul Youngman (PY) asked about the current requirement on Transporters and whether it would be considered to be a licence breach? RP confirmed that it would be a breach of code and that there is no licence obligation on Transporters to provide Class 1 meter reads on a particular day.

Ellie Rogers (ER) asked if paragraph 2.25 refers explicitly to Class 2 sites moving to Class 1?. RP stated that the UNC is silent on whether a Shipper has to provide the read. He reiterated that the CDSP has the obligation to provide the read which is why the UNC needs to be amended to reflect this.

Following Workgroup discussion paragraph 2.25 was further amended to replace the words “not obtained by the” with “not the responsibility of the”.

- g. RP reported a change to paragraph 3.2.7(a)(i) suggesting deletion of both references to “Section M5.13.18(a)” and replacing them with references to Section M5.13.17(a). He highlighted that this change is not related to Modification 0710 and involves the correction of an error in the cross-reference which has been identified as part of the Legal Text changes for this Modification. He suggested that the change could be made as part of Modification 0710 with agreement from the Workgroup rather than raising a fast-track self-governance Modification to correct this.

Workgroup agreed to this minor change and suggested it is noted in the Workgroup Report.

- h. In Annex G-3, paragraph 1.1.1(i)(iii) was deleted and replaced with a new paragraph 1.1.1(i)(iii).

Section M – Supply point metering

- i. In paragraphs 1.5.2, 2.1.9, 5.11.3, 5.12.1 and 5.12.8 the words “Transporter Daily Read Equipment” were replaced with the words “Daily Read Equipment”.
- j. Paragraph 5.14.1 was deleted and replaced with a new paragraph 5.14.1.

Section S – Invoicing and Payment

- k. Paragraph 2.3 the words “and Section M7” were deleted.

Transition Rules

- l. RP highlighted that in addition to some minor changes, there was one change that was material in relation to paragraph 1.3.7 (g)

Discussion of the Legal Text concluded with RP agreeing to provide updated Legal Text in line with the discussion.

KE reminded Workgroup that this was the last meeting and asked Workgroup participants if they were content to agree the Legal Text changes on the basis of the discussion at the meeting.

The Legal Text changes were approved by Workgroup.

4.0 Completion of Workgroup Report

KE confirmed that the Workgroup Report is due to be presented to the 17 September 2020 Panel meeting. As part of the consideration and completion of the Workgroup Report, the following areas were discussed:

Costs

PY was concerned that the Workgroup Report did not include information on the costs and that the effect on competition or consumer savings had not been demonstrated.

SM suggested that this Modifications impacts the largest industrial customers (approx. 550) and the costs are visible to the market as they are in the charging structures and relate to CDSP administration costs plus a margin for resources.

PY was concerned that the actual costs showing how much has been spent were not transparent.

RP indicated that the broad costs were in the region of £600-£700 in total.

AR agreed to include a figure of £0.5 to £1.0m in the Workgroup Report.

Consumer Impact Assessment

The table was updated to reflect that consumers should not notice any change to the standard of service.

Cross Code Impact

Alan Raper (AR) confirmed that he had held discussions with Anne Jackson at Gemserv and confirmed that currently, an IGT does not have a requirement to provide DM reads in the same way a transporter does under the UNC. For sites that meet the Class 1 (DM) read requirement, reads are supplied by the upstream transporter, through arrangements set out in the Independent Gas Transporter Arrangements Document (IGTAD). He added that if the IGT UNC needed a Modification, but it would be simpler that the UNC Modification as it is a tidy up exercise rather than a shift of responsibilities.

RP added that Brandon Rodrigues, ESP would be introducing a new Modification to propose a small amendment to the IGT UNC.

Kirsty Dudley (KD) asked if the consultation timescales of the UNC and IGRUNC Modifications would be aligned? RP stated that as the proposer he did not want to delay Modification 0710 and the UNC Modification had been shared with IGTs.

KD said that she preferred Modifications with cross code impacts to be consulted together. However, SM did not agree with this view suggesting that the UNC market is significantly bigger, and he did not think the Modification should be delayed either.

Workgroup agreed that the Modification should proceed to consultation.

Governance

AR reminded Workgroup that Panel had asked for a view on the governance of the Modification and previously Workgroup had suggested that the Modification could move to Self-Governance.

Jon Dixon (JD) indicated that he had provided a view on this at previous Workgroup meetings and he did not see any reason to change that view which was based on the fact that the service is not changing substantively; there is no impact on consumers or on the market as a whole and there appears to be no competition issue. Based on this there are no obvious reasons why the Modification should be Authority Direction so he would be comfortable with a proposal to consider Self-Governance.

Consultation Period

AR asked Workgroup to consider whether the standard 15-day consultation period should be used or an extended consultation of 20 business days given implementation of the Modification would be June 2021.

Workgroup agreed that a 20-day consultation should be proposed to Panel.

Rough Order of Magnitude (ROM)

ER suggested that the ROM section is amended to reflect the charging discussion that there will be some operational costs and costs to mobilise and establish the resource to manage the change. This will show the structure of the charging calculation, not actual costs.

5.0 Next Steps

KE confirmed that the Workgroup Report would be presented to the September Panel meeting with a recommendation to proceed to consultation with a 20-day consultation period.

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

There are no further Workgroup meetings planned as the Workgroup will have been closed.

Action Table (as at 27 August 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	23/04/20		CDSP (DA/ER) to clarify the new CDSP charging structure with a view to having them made visible as part of the development of this Modification.	CDSP (DA/ER)	Closed
0701	23/07/20	1.1	<i>Action 0401 – CDSP (DA/ER) to clarify the new CDSP charging structure with a view to having them made visible as part of the development of this Modification:</i> AR to consider providing a table of current charges to show how the charges are structured across the individual networks.	Joint Office (AR)	Closed
0702	23/07/20	3.0	CDSP (DA) to describe the scenarios when receiving a physical reading that is remarkably different to the reading from DMSP.	CDSP (DA)	Closed
0703	23/07/20	3.0	RP to bring back a revised version of the Legal Text to the August Workgroup meeting	Proposer (RP)	Closed

UNC Workgroup 0734S Minutes
Reporting Valid Confirmed Theft of Gas into Central Systems
Thursday 27 August 2020
via Microsoft Teams

Attendees

Kate Elleman (Chair)	(KE)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Alan Raper	(AR)	Joint Office
Carl Whitehouse	(CW)	Shell
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Jon Dixon	(JD)	Ofgem
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Nigel Bradbury	(NB)	CIA
Oorlagh Chapman	(OC)	Centrica
Paul Youngman	(PY)	Drax
Richard Pomroy	(RP)	Wales & West Utilities
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0734/270820>

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 explaining that the driver of this change is significant evidence that confirmed theft of gas data from Suppliers is not entering Settlement. This is likely to be a product of there being no obligations in code for Shippers and Suppliers to report confirmed theft to one and other. The effect of not implementing this change would be to perpetuate a historic loophole in theft reporting arrangements that directly contributes to UIG, through there being insufficient provision in code for confirmed theft consumption data to be entered into Settlement. This is evidenced by the significant discrepancy in the number of confirmed thefts entered into Theft Risk Assessment Service (TRAS) by Suppliers and the number of confirmed thefts entered into CMS by Shipper – with 30% of all confirmed thefts in TRAS not appearing in CMS.

He explained that the Modification therefore aims to place obligations on Shipper parties to ensure that valid confirmed theft of gas data received from Suppliers, such as consumption volumes, are appropriately entered into central systems for the purposes of Settlement. He

added that the Modification also seeks to ensure corrections to Annual Quantities (AQ) that are required as a result of theft of gas are undertaken as required.

He added that the changes proposed are as a result of the recommendation developed by the cross-code Workgroup (0667R) - Joint Theft Reporting Review Group (JTTR) and a significant amount of development work has been undertaken by that group already.

In terms of the solution he added that there is an acknowledgement that there may be some differences between UNC and SPAA that need to be worked through for example volume is measured in m3 for Suppliers and kWh for Shippers.

2.0 Initial Discussion

Workgroup discussion took place on the validity of information and what would be deemed 'not valid' or 'invalid'.

Kirsty Dudley (KD) suggested that could be three different situations in relation to data on energy values:

- Missing data
- Data differences between SPAA and UNC
- Data readings that are higher than expected.

SM suggested using the concept of 'manifest error' and asked Workgroup to consider if this could work.

Fraser Mathieson (FM) stated that the JTTR group did discuss criteria to allow Shippers to challenge data but did not develop the reasons that could form the basis of a Shipper challenge. JTTR recommended that Shippers and Suppliers work together to develop the criteria.

KD suggested that there may be different interpretations if the different error scenarios were included in DSC systems and said UNC should be the basis.

SM agreed that adding 'manifest error' to the UNC would provide the legal basis.

Ellie Rogers (ER) raised a concern in relation to the recording of theft of gas under the proposed new process as it could result in duplicate entries being created as Shippers as per current logic can raise theft directly in CMS and under this change, Supplier theft will also be submitted into CMS. It is not clear which entry should be taken through the process. SM suggested that it should be a Shipper obligation to cross-check duplications.

FM recommended that Supplier confirmed theft of gas data should be regarded as the accurate data. He explained that this is why the JTTR group have suggested automation of the process.

KD suggested that the issue of read sequencing is a TRAS reporting issue and the process needs to be made clearer.

SM reiterated that a cross-check of the duplicates is needed and suggested the responsibility to quality assure the data should be with Shippers.

Reporting

KD asked if the reporting would be in SPAA or if it would be a new requirement.

FM confirmed that a high-level obligation would be included in SPAA which would be discharged through TRAS and the output of TRAS would be via CMS (CDSP).

Business Rule 2

In relation to this BR, SM emphasised that Shippers want to receive notifications of relevant Supplier(s) Confirmed Theft Data (SCTD) to avoid the need for checking.

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Errors in relation to theft data

KD asked how the system would recognise and deal with a change made by a Supplier, for example if theft data is corrected by the Supplier six months later. FM agreed to check how replacement data is handled.

SM asked how erroneous settlement data is dealt with.

FM indicated that in the TRAS, Suppliers can withdraw a confirmation of theft and re-submit it. He suggested that an equivalent CDSP process is also needed.

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

Deferred to the September meeting.

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

Deferred to the September meeting.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at <https://www.gasgovernance.co.uk/0734>

3.0 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 – what is already in place, what's easy to implement and what is considered more fundamental change?
3. Consideration of what needs to be included in UNC and what goes into the DSC.

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	Paper Publication Deadline	Venue	Programme
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Thursday 24 September	5pm Tuesday 15 September 2020	Microsoft Teams Meeting	<p>Detail planned agenda items.</p> <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules • Review of Impacts and Costs • Review of Relevant Objectives • Consideration of Wider Industry Impacts • Consideration of Legal Text • Development of Workgroup Report
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Action Table (as at 27 August 2020)

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