

**UNC Distribution Workgroup Minutes**  
**Thursday 26 November 2020**  
**via Microsoft Teams**

<b>Attendees</b>		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Sonniya Fagan	(SF)	Joint Office
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (Workgroup 0693R only)
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
India Koller	(IK)	SGN
Joshua Merriweather	(JM)	Cadent (DWG only)
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Rebecca Cailles	(RC)	BU-UK
Rose Kimber	(RK)	CNG Ltd
Shiv Singh	(SS)	Cadent (DWG only)
Steve Britton	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tim Davis	(TD)	Barrow Shipping Ltd
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: [www.gasgovernance.co.uk/dist/261120](http://www.gasgovernance.co.uk/dist/261120)

## 1. Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting.

### 1.1. Approval of Minutes (22 October 2020)

The minutes from the previous meetings were agreed.

### 1.2. Approval of late papers

AR advised Workgroup there were no late papers to consider for Distribution Workgroup.

### 1.3. Review Outstanding Actions

**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 an update was not available and confirmed he will continue to pursue obtaining the required data and report back to the December Distribution Workgroup. **Carried Forward to December**

**Action 0801:** Ofgem 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:** An update is to be provided to the December Workgroup. AR referred Workgroup to Modification 0746 - Clarificatory change to the AQ amendment process within TPD G2.3, which has recently been decoupled from Modification 0736S, and explained that Modification 0746 is, in effect, addressing this issue. **Carried Forward to December**

**Action 1001:** *Updating specific gender references to neutral terms:* E.ON (KD) to raise as a new modification.

**Update:** AR advised this action is closed as new Modification 0741S – Updating specific gender references to neutral terms, has now been raised. **Closed**

**1.4. Modifications with Ofgem**

Max Lambert passed on his apologies for this meeting and provided the following update:

<b>Modification</b>	<b>Ofgem update</b>
0701 - Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs	A DSC change has been implemented which flags sites with a NExA so some benefit to sites already, so modification has been deprioritised.
0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs	DSC change has been implemented which flags sites with a NExA so some benefit to sites already, so modification has been deprioritised.
0687 - Creation of new charge to recover Last Resort Supply Payments	This has been deprioritised whilst an alternative system for recovery of levy payments is developed under the REC.

**1.5. Pre-Modification discussions**

**1.5.1. Increased DM SOQ Flexibility**

Tim Davis (TD) introduced the draft proposal submitted by Barrow Shipping Limited and explained the purpose of the modification is to allow DM SOQs to be adjusted more flexibly, better reflecting costs and avoiding inefficient investment.

Referring to the presentation provided to support the draft proposal, TD explained that public access filling stations cannot control demand, as they do not know in advance of the day how many vehicles will require fuelling. This is especially true if a large new fleet arrives to fill up in a short period, resulting in an atypical high demand, which in turn affects the recorded peak demand at the site. This would then lead the combined system peak SOQs being overstated, which in turn could give inappropriate investment signals.

In addition, TD advised that lorries that carry gas canisters full of compressed gas that can be used to supply off-grid networks may also require filling at relatively unpredictable times, giving rise to a similar effect to the fleet refuelling issue from a network SOQ management perspective.

TD added that a network peak day would normally occur on a very cold day, possibly with snow and ice, with very few trucks on the road and hence would unlikely coincided with the events described above.

When asked, TD confirmed that his concern only relates to mandatory DMs.

Supported by Workgroup, Tracey Saunders (TS) questioned whether this should be raised as a Review Group or a Modification. Kirsty Dudley (KD) suggested that if there are multiple views on the solution, then a Review Group might be a better approach.

AR referred Workgroup to some rules in Code that were developed to be used during the on a commissioning of VLDMCs basis, where large flows could occur for short period of time on a pre-agreed basis.

When asked, TD clarified that, in a growing market, new fleets are fairly common whereas the filling of trailers is more unpredictable. He also confirmed that there are currently no government initiatives on this topic.

**New Action 1101: Increased DM SOQ Flexibility** - TD will discuss with AR to agree the best approach.

## 2. Workgroups

### 2.1. 0693R – Treatment of kWh error arising from statutory volume-energy conversion

(Report to Panel 17 December 2020)

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

### 2.2. 0734S – Reporting Valid Confirmed Theft of Gas into Central Systems

(Due to report to Panel 18 February 2021)

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

### 2.3. 0746 - Clarificatory change to the AQ amendment process within TPD G2.3

(Report to Panel early on 15 April 2021)

## 3. UIG Update

### 3.1. UIG Update

ER confirmed there is very little to report on this month. UIG has dipped negatively during this second Lockdown, but nothing else to report on.

## 4. COVID-19 Issues

### 4.1. Update from October 2020 UNC Panel

Modification 0730 - COVID-19 Capacity Retention Process

DA provided a briefing note on the information gathering exercise that CDSP have been running in order to identify the volume of Modification 0723, (*Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period*), isolations that are eligible for capacity rebate. The paper may be found on the meeting page here: [www.gasgovernance.co.uk/dist/261120](http://www.gasgovernance.co.uk/dist/261120).

Subsequent to the UNC Panel discussion held on 19 November 2020, it was identified that the process that CDSP have been operating in order to identify eligibility for the capacity rebate may not be documented sufficiently robustly and it was felt that imposed time-bound limitations should be reflected more explicitly in the Modification / Legal Text. (The solution, and by inference the legal text, need to be more detailed and specific in the area to establish the definitive list of eligible sites).

Workgroup discussions determined that the solution for Modification 0730 needs to be revisited in order to redraft the relevant business rule and amend the legal text to clearly set out the Shipper's right to claim the capacity rebate but also recognising that provisions to address the time-limited aspect should be added.

AR advised that, on the basis of the concerns raised, Modification 0730 should be temporarily suspended from Final Modification Report (FMR) production as, following examination of the

process being proposed by the CDSP, and its alignment with the proposed solution and the associated Legal Text, a variation would be required. It was noted that the extra-ordinary UNC Panel meeting arranged for 27 November 2020 to finalise the FMR, should additionally review matters arising at this Distribution workgroup and decide next steps.

**New action:** SM, DA and subsequently TS, (the legal text provider), to convene and resolve in order to produce a Variation and new legal text.

## 5. CSS Consequential Changes – Detailed Design Report

DA advised, as part of the Retail Code Consolidation SCR, there is a proposal for text to be included in the Modification Rules that would allow other Code Administrators to raise a modification when a Cross Code issue is identified. He clarified there would not be a policy decision from Ofgem until next week, (week commencing 30 November 2020).

## 6. Issues

None raised.

## 7. Any Other Business

None raised

## 8. Diary Planning

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

Time / Date	Venue	Workgroup Programme
Monday 14 December 2020	Teleconference	Distribution Workgroup standard Agenda

Action Table (as of 26 November 2020)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
<b>0103 &amp; 0104</b>	23/01/20	3.0	<b>Change of Tenancy Flag / CSS issues:</b> (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.)	<b>December 2020</b>	CDSP (ER)	<b>Carried Forward</b>
<b>0801</b>	27/08/20	1.5	Ofgem 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.	<b>December 2020</b>	Ofgem (JD)	<b>Carried Forward</b>
<b>1001</b>	22/10/20	1.5	<b>Updating specific gender references to neutral terms:</b> E.ON (KD) to raise as a new modification		E.ON (KD)	<b>Closed</b>
<b>1101</b>	26/11/20	1.5	<b>Increased DM SOQ Flexibility</b> - TD will discuss with AR to agree the best approach.			<b>Pending</b>

**UNC Workgroup 0693R Minutes  
Treatment of kWh error arising from statutory volume-energy  
conversion**

**Thursday 26 November 2020**

**Via Teleconference**

<b>Attendees</b>		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Sonniya Fagan	(SF)	Joint Office
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (Workgroup 0693R only)
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Steve Britton	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: [www.gasgovernance.co.uk/0693/261120](http://www.gasgovernance.co.uk/0693/261120)

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

## **1. Introduction and Status Review**

Alan Raper (AR) welcomed everyone to the meeting.

### **1.1. Approval of Minutes (22 October 2020)**

The Workgroup accepted the minutes.

### **1.2. Approval of Late Papers**

AR 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:** FC advised this has not yet been requested by the current AUGE and proposed to close this action. She added that depending on what option goes forward, the appropriate information would be sought at that point, noting that meter temperature data would only be used to support some of the options. It was agreed to carry forward the action on the basis the Workgroup is drawing to a conclusion and to note in the Workgroup Report, if it reports to December Panel, that the action could be pursued should a relevant option be developed further. **Carried forward to December 2020**

**Action 1001:** Workgroup to review the options paper and submit comments, including preferred option, to FC Development of the Workgroup Report.

**Update:** FC advised only one response has been received, from Phil Lucas (PL) National Grid and that she will update the Options Analysis paper with the comments raised, one more version of the document will be provided. **Closed**

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

AR invited Workgroup to provide any comments they have with regards to the Options Analysis paper; the discussion was noted as follows:

Steve Mulinganie (SM) summarised that the statutory set of arrangements that mandate how the conversion of metered volume to standard conditions volume is effected must be observed, adding that if it is suggested that the statutory requirements are incorrect the regulations would need to be amended.

Fiona Cottam (FC) summarised the five options and advised it is highlighted in the Options Analysis paper which of them are compliant with the Thermal Energy Regulations. A summary of the Thermal Energy Regulations are published on the meeting page here: [www.gasgovernance.co.uk/0693/261120](http://www.gasgovernance.co.uk/0693/261120)

The options that would **not** be compliant with the Thermal Energy Regulations are:

- Option 4(ii): Add a new LDZ level factor to the volume-to-energy conversion formula to account for the net difference in energy. The factor would be calculated daily using actual LDZ weather
- Option 7: Introduce an LDZ level conversion factor (permanent/per year/per month)
- Option 11: Adjust daily gas allocations and subsequent meter point reconciliations to take account of impact of actual weather on metered gas volumes.

AR advised that he has discussed this Review Group with the Proposer and confirmed the Proposer believes this Review Group has reached the point where the analysis of options is complete and summarised that of the five options in the paper; three would not be compliant with the Thermal Energy Regulations; Option 5 is due to be incorporated into the AUGE process for the next Gas Year and Option 10 would not be practical.

PL noted that Option 5 if already implemented, is there is room to assess the effectiveness of that option?

SM advised that if the AUGE process amends the way energy is shared, then any pass-through to customers could not impinge on the legally stipulated calculation and affect the resulting quantities billed to the customer.

When asked if the legislation could be circumvented to get a better outcome, it was confirmed that for the calculation to be changed, the only appropriate route would be to amend the legislation. The view was that to amend the legislation would require an evidence-based study that would need to demonstrate how any change(s) would be of benefit.

AR confirmed, following a conversation with the Proposer, there are no options that the Proposer would wish to progress to a modification proposal.

**Next Steps**

AR will draft a Workgroup Report and incorporate the comments received today for Workgroup to review at the next meeting on 14 December. Workgroup agreed that a 1-month extension would be of benefit and the report for the Review Group should report to January UNC Panel.

**New Action 1101:** FC to update the Options Analysis paper with National Grid comments.

**New Action 1102:** AR to develop the Workgroup Report for Workgroup to review on 14 December.

**3. Development of Workgroup Report**

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

**4. Next Steps**

AR will draft a Workgroup Report and, using the key points from the Options Analysis paper and incorporating the comments received today, provide it for Workgroup to review at the next meeting on 14 December. Workgroup agreed that a 1-month reporting extension should be requested at December Panel to allow the report to be submitted well in advance of the January meeting.

**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
Monday 14 December 2020	Teleconference	Completion of Workgroup Report

**Action Table (as at 26 November 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
1001	22/10/20	2.0	Workgroup to review the options paper and submit comments, including preferred option, to FC Development of the Workgroup Report	Workgroup	Closed

<b>1101</b>	26/11/20	1.3	FC to update the Options Analysis paper with National Grid comments	Xoserve (FC)	<b>Pending</b>
<b>1102</b>	26/11/20	1.3	AR to develop the Workgroup Report for Workgroup to review on 14 December	Joint Office (AR)	<b>Pending</b>



**UNC Workgroup 0734S Minutes**  
**Reporting Valid Confirmed Theft of Gas into Central Systems**  
**Thursday 26 November 2020**  
**via Microsoft Teams**

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
India Koller	(IK)	SGN
Joshua Merriweather	(JM)	Cadent
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Rebecca Cailles	(RC)	BUUK
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Sonniya Fagan	(SF)	Joint Office
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0734/261120>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 February 2021.

## 1.0 Introduction

### 1.1. Approval of Minutes

The minutes from 22 October 2020 were approved.

### 1.2. Approval of Late Papers

There were no late papers for approval.

### 1.3. Review of Outstanding Actions

None raised.

## 2.0 Consideration of Modification

Alan Raper (AR) opened the discussion.

FM briefly summarised the considerations from the previous meeting, then shared that he had discourse with Steve Mulinganie (SM) pertaining to queries from Xoserve about the 'rejection window' within the Gas Theft reporting system.

SM underscored the necessity for a 'rejection window' for Shippers as the current system has a significant amount of cases flagged through Contract Management Server (CMS) that within a set period of time automatically close without an outcome or settlement. For addressing the concerns regarding the over complication of the Modification solution, he also suggested removing aspects of the solution pertaining to Theft Management procedures.

FM agreed with SM comments, as the Joint Theft Reporting Review Group (JTTR) highlighted that approximately 11% of CMS reports are closed with no outcome or investigation. He queried whether there was merit in creating CMS queries relating to suspected Gas Theft.

FM advised that suspected theft is not currently in the modification and explained the recommendation from the Joint Theft Reporting Review Group:

*Changes should be made to Settlement systems to improve the way in which suspected theft records are treated, where these are raised by either the Shipper or Transporter, with the records no longer remaining 'open' until an outcome is provided or 'auto-closing' where no outcome is provided but instead closing once the Shipper confirms the information has been passed to the Supplier by providing the Supplier Investigation ID once it is returned by the Supplier.*

Kirsty Dudley (KD) raised the concern that this modification was originally raised to address the reporting of valid Theft of Gas into Central Systems and not to establish a challenge mechanism for claims. The addition of the Shipper checking what the Supplier inputs as confirmed theft is bringing in a different set of governance arrangements which could create an issue.

KD also commented on the outcomes of cases when Shippers have the option of a 'rejection window' and as to whether the cases would be individually evaluated at that level. Lastly, she explained how rejected theft reports would ultimately result in added costs for Suppliers, which could in turn result in added costs for their customers.

SM clarified that Shipper involvement exists as a safeguarding measure to ensure that Suppliers could not, by default, impose charges on shippers through the Uniform Network Code (UNC).

KD shared other considerations to be addressed regarding the dual-code / governance within the Modification. Currently, the rules imposed by the Supply Point Administration Agreement (SPAA) are not being properly adhered to. She commented that progression of this Modification would see another body having governance over the same issue which would therefore stand to broaden the scope of the Modification, which would not be appropriate.

SM explained the Modification seeks to address the amount of Gas Theft Reports with the implementation of Shipper review. It does not give deciding power to the Shippers but seeks to simply assure that claims are valid. This in turn should reduce the quantity of immediate energy settlements that could later have approval rescinded. The overall intention is to create a better degree of alignment and assurance of standards between Shippers and Suppliers.

FM followed by sharing that the processing of Gas Theft claims stands to benefit from Shippers review with the auto system. Additionally, the 'rejection window' would be a fixed period of time, or the claim would naturally progress to settlement.

David Addison (DA) queried as to whether this would also apply to entities that were both Supplier and Shipper.

SM stressed that the Modification in question should not seek to differentiate. as its objective solely lies in providing extra assurance to the validation procedure. DA agreed and expressed

the need for extreme clarity regarding this matter in the wording of the code for all other possibilities that could arise, such as:

- Are Shippers reports done offline?
- Can Shippers overwrite a claim?
- How does the procedure apply when the Shippers seeks to raise a Theft claim through a supplier?

SM shared the opinion that Gas Theft Reporting from a Shipper versus a Supplier are two very distinct matters. The Gas Theft from a Supplier is a retail matter and would not be applicable at a Shipper level, thus the application of this code does not apply to Shippers in that sense. FM confirmed that the research shows the figure of Shipper utilisation were extremely negligible and presented itself most strongly as a Supplier and Transporter issue.

KD explained further apprehension in terms of the purpose of the Modification. She observed that it presents itself to protecting those who are not practicing the due diligence required in Gas Theft Reporting. Moreover, she questioned the actual changes to Shipper requirements from a governance perspective within the proposed system.

FM explained that the proposed system seeks to amend the system in place. Where there once was confusion as to the obligations and roles of the parties involved in Gas Theft Reporting, the Modification seeks to clearly distinguish Shippers as conduits in the process and separate the tasks relating to CMS and Theft Reporting Advisory Service (TRAS). The purpose of Shipper involvement is to facilitate majority of claims reaching settlement.

AR quelled concerns by reiterating that the Modification seeks to address obligations of parties involved in Gas Theft Reporting. It aims to openly distinguish this and the follow-up actions where applicable. There are no intentions to deliver outside that specific scope. To strengthen this point, he suggested that the Modification remove mention of specific software systems, such as CMS, that could cause distraction from the business process objective.

SM further commented that Shippers would be limited to only rejecting reported Gas Theft based on 'manifest error'. In any event, where a report is rejected the theft reporter could resubmit their claim. Following that, and any subsequent resubmissions, they would be recorded and presented to all performance assurance arrangements including, but not limited, to the Performance Assurance Committee (PAC). He noted that the additional level of surveillance could be highlighted in the Business Rules.

KD agreed and expressed that without higher audit and review involved, the Modification would not regulate the overarching issue within Gas Theft Reporting. She conveyed the importance of seeing this carefully reflected in the updated Modification Report.

FM noted the following items requiring refinement in the Modification, as requested by the Workgroup:

- The definition of 'Valid Theft'
- The definition of a 'rejection window'
  - i.e. its fixed time allotment,
  - the distinction of 'manifest error' and
  - actions permissible of all relevant parties
- The lifecycle of a report that has been rejected
  - For instance, which reports are sent to audit,
  - when the relevant parties are informed of an objection
- Clarification on suspected theft
- Clarification on desired outcome of process
  - Maintaining a 'good' level of theft settlement.
- Removal of specific software reference e.g. CMS should refer generically to CDSP
- Inclusion of a high-level workflow diagram

**New Action 1101:** SPAA/Electralink (FM) and the Proposer (SM) to update the Modification to address feedback received.

AR reminded the Workgroup that the next meeting would not follow the monthly schedule on account of the holiday season. However, he did confirm that the Modification had received an extension from Panel and shared February 2021 as the new deadline for Workgroup Report completion. He advised FM to collaborate with Xoserve and SM regarding distinguishing contractual obligations of parties involved. He lastly inquired if SGN would be ready to work on legal text; to which David Mitchell (DM) confirmed they would.

DA requested if FM could share the updated workflow diagram as a guiding exemplar for the CMS rebuild, to which FM agreed.

## 2.1. Issues and Questions from Panel

There were no new questions raised from the Panel.

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

The following was discussed as part of the Consideration above and will undergo further deliberation 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

AR summarised as follows:

- FM to update the Modification Report with the reflection of commentary received from Workgroup with the support of SM and Xoserve.
- FM to liaise with Xoserve regarding system changes
- FM to produce a high level process flow
- DM to prepare the legal text once the amended Modification has been published.

## 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](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
Monday 14 December 2020	Teleconference	Distribution Workgroup standard Agenda

**Action Table (as at 26 November 2020)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	26/11/20	2.0	SPAA/Electralink (FM) and the Proposer (SM) to update the Modification to address feedback received.	SPAA/Electralink (FM), Gazprom Energy (SM) and Xoserve	<b>Pending</b>

**UNC Workgroup 0746 Minutes**  
**Clarificatory change to the AQ amendment process within TPD G2.3**  
**Thursday 26 November 2020**  
**via Microsoft Teams**

<b>Attendees</b>		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Sonniya Fagan	(SF)	Joint Office
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
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Lorna Lewin	(LL)	Orsted
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Rebecca Cailles	(RC)	BU-UK
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: [www.gasgovernance.co.uk/0746/261120](http://www.gasgovernance.co.uk/0746/261120).

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

**1. Introduction and Status Review**

Alan Raper (AR) welcomed all to the Workgroup.

**1.1. Approval of Minutes (Workgroup 736A: 22 October 2020)**

The minutes from the previous meeting were accepted.

**1.2. Approval of Late Papers**

AR confirmed that no late papers have been submitted.

**1.3. Review of Outstanding Actions**

No outstanding actions to discuss

## 2. **Modification (re-numbered from 0736A)**

AR explained at the UNC Modification Panel meeting held on 19 November 2020, it was determined that Modification 0736A should be issued to a new Workgroup for assessment and be renumbered as Modification 0746. He confirmed that the Workgroup is due to report to the April 2021 UNC Panel.

AR went on to clarify that Business Rules 1-3 mirror exactly those of Modification 0736, these are being kept in Modification 0746 to provide clarity and context.

SM advised that extra clarity has been added in Business Rules 4-7 around circumstances when there is an intra-group, Shipper transfer and this Modification largely concentrates on retrospection aspect of the proposal.

SM advised that the Business Rules have been revised and a draft proposal has been provided for this meeting. He advised that the paper has been published on the Joint Office meeting page and added that the revision should address some of the concerns that have been raised.

AR suggested Workgroup revisit the draft proposal, once Modification 0736S reaches its conclusion.

SM clarified that due to the significantly different commercial impact of modifications (0736 and 0736A), and their respective anticipated resolution timelines, the view of the Panel was that the modifications should be separated and progressed individually.

KD asked for an understanding of the impacts, how many sites could be captured by the arrangement and financial magnitude of the retrospective element.

SM clarified that Cadent identified the value of risk, circa £4m, scaled up across all Networks, this could be around £10m.

When KD asked if this focusses on one activity, or if applied, would it identify more parties, SM confirmed this would cover any scenario where there has been a similar degree of supply point registration.

When KD asked how far back the retrospection would go, Workgroup commented that September Workgroup 0736A captured discussions on this element.

### **Post meeting note:**

#### **Taken from September Workgroup 0736A:**

*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.*

SM requested CDSP to investigate AQ reason code 3 to see if there is any evidence of high usage over period to prior the period in set out in the Modification.

<b>New Action 1101:</b> CDSP (DA) to provide data with regards to the numbers of reason code 3 AQ amendments to see if there are any spikes in the data prior to 01 April 2020.
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**3. Review of Legal Text**

This will be covered in the due course.

**4. Development of Workgroup Report**

This will be covered in due course.

**5. Next Steps**

AR confirmed that Workgroup will consider the business rules at the next meeting on 14 December and should be in receipt of the CDSP analysis of AQ reason code 3.

**6. Any Other Business**

None raised.

**7. Review of Outstanding Actions**

**8. Diary Planning**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Venue	Programme
10:00 Monday 14 December 2020	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> <li>Consider Modification 0746</li> </ul>

**Action Table (as at 26 November 2020)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	26/11/20	2.0	CDSP (DA) to provide data with regards to the numbers of reason code 3 AQ amendments to see if there are any spikes in the data prior to 01 April 2020.	CDSP (DA)	Pending