

UNC Distribution Workgroup Minutes

Thursday 22 August 2019

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Alsarif Satti*	(AS)	Ofgem (0701 only)
Andy Clasper	(AC)	Cadent
Brandon Rodrigues*	(BR)	ESP Utilities
David Mitchell	(DM)	SGN
Debbie Mulinganie*	(DMu)	BP
Ellie Rogers	(ER)	Xoserve
Kate Mulvany*	(KM)	Centrica
Kirsty Dudley*	(KD)	E.ON
Mark Jones*	(MJ)	SSE
Lorna Lewin*	(LL)	Orsted
Richard Johnson	(RJ)	Xoserve
Richard Pomroy	(RP)	Wales & West Utilities
Sean Hayward*	(SH)	Ofgem (0701 only)
Simon Harris	(SHa)	Xoserve
Steve Britton*	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom
Tracey Saunders	(TS)	Northern Gas Networks

*via teleconference

Apologies

Louise Hellyer	(LH)	Total Gas & Power Limited
Stephanie Clements	(SC)	ScottishPower

Copies of all papers are available at: <http://www.gasgovernance.co.uk/dist/220819>

1. Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting and invited introductions.

1.1. Approval of Minutes (25 July 2019)

The minutes from the previous meeting were accepted.

1.2. Review Outstanding Actions

Action 0701: All Workgroup participants to familiarize themselves with the CSS Detailed Design Report ahead of the next DWG meeting. CSS Consequential Changes – Detailed Design Report to July Modification Panel

Update: This action was covered within agenda item 2.0. **Closed**

1.3. Modifications with Ofgem

None

1.4. Pre-Modification discussions

None.

2. CSS Consequential Changes – Detailed Design Report

Ellie Rogers (ER) reminded Workgroup that the Detailed Design Report for CSS Consequential Changes is currently out for industry consultation closing on 09 September 2019. She added that there are 3 key areas of interest for Shippers to consider and these were discussed at the last meeting:

- a. Associated Rules in UNC allowed multiple Shipper/Supplier/Supply Meter Point Base Registration Nominations(BRN) to be Operative at any one point in time.
- b. Simplification of the rule for Class 4 Opening Meter Reads
- c. Gas Nomination process.

Workgroup asked for additional clarification on 3 areas:

- a. In relation to meter readings clarification is sought on when Xoserve will use an estimated reading and whether this is at D+5 or D+10
- b. Steve Mulinganie (SM) asked how the gas day misalignment is been addressed as this is particularly important for power stations.
- c. An update was requested on Nominations and Offers. SM indicated that real time pricing is needed, and his view is that the NOMs and Offers process is not achievable.

Xoserve were asked to provide an update on these three areas as a post-meeting update.

New Action 0801: Xoserve (ER) to confirm if the estimated meter reading will be taken at D+5 or D+10.

New Action 0802: Xoserve (ER) to provide an update on how the Gas day misalignment is being addressed.

New Action 0803: Xoserve (ER) to provide an update on the NOMs and Offers process and whether real time pricing can be provided.

3. Workgroups

AR provided an update on the Workgroups to be discussed at the meeting. He explained that at the last meeting it was agreed that discussion of Modification 0689 would be deferred to the September meeting to allow more time for discussion of the solution with Xoserve. In addition, to this the proposers of Modification 0692S and 0699 have also requested that discussion be deferred to the September meeting as they were not available to attend the meeting.

The following Workgroup meetings took place:

3.1. 0689 – Removing the requirement to support invoice queries before the due date with information from the .AML file

(Report to Panel 17 October 2019)

<https://www.gasgovernance.co.uk/0689>

Discussion of this Workgroup was deferred to the September meeting.

3.2. 0692S - Automatic updates to Meter Read Frequency

(Report to Panel 21 November 2019)

<https://www.gasgovernance.co.uk/0692>

Discussion of this Workgroup was deferred to the September meeting.

3.3. 0694R - CDSP provision of Class 1 Read service

(Report to Panel 19 December 2019)

<https://www.gasgovernance.co.uk/0694>

3.4. 0695S - Obligations on Shippers to pass Transporter compensation payments on to consumers, via Suppliers

(Report to Panel 19 September 2019)

<https://www.gasgovernance.co.uk/0695>

3.5. 0699 - Incentivise Key Areas of Performance using additional UIG Charges

(Report to Panel 16 January 2019)

<https://www.gasgovernance.co.uk/0699>

Discussion of this Workgroup was deferred to the September meeting.

3.6. 0701 - Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs

(Report to Panel 19 December 2019)

<http://www.gasgovernance.co.uk/0701>

4. Issues

4.1. New Issues

No new issues were raised.

5. Any Other Business

5.1. UNC Validation Rules Changes – Modification 0700 (Urgent)

Ellie Rogers (ER) provided a walkthrough of a change marked version of the UNC Validation Rules (UNCVR) document showing the required amendments that are needed if Modification 0700 is implemented. She added that an additional UNCC meeting has been arranged for 29 August 2019 to approve the changes and that the purpose of sharing the document was to raise awareness of the changes.

Simon Harris (SHa) then provided a brief overview of the key changes in the UNCVR document in relation to the Modification and additionally, some “house-keeping” amendments to tidy up the document. Workgroup challenged whether the purpose of the extraordinary meeting was to consider additional housekeeping changes and emphasised that the urgency for the meeting was specifically to consider changes in relation to Modification 0700. SHa agreed to remove the non-0700 changes as these would need to be considered separately at the next UNCC meeting in September.

New Action 0804: Xoserve (SHa) to remove all house-keeping related changes with the UNC Validation Rules document for the approval at the 29 August 2019 UNCC Meeting.

Richard Pomroy (RP) raised a concern in relation to the number of impacts arising from the changes needed for Modification 0700 and in particular highlighting the change to read

validation. He stated that the changes are aimed at preserving functionality for EUC Bands 02 - 09.

SM supported the proposal only applying to EUC Band 01 and objected to the removal of the tolerance for anything other than EUC Band 01. SHa agreed to review this.

SHa also provided a brief presentation to support this agenda item. Workgroup considered slide 3 in relation to the definition of the Batch Period. SHa confirmed that the CDSP will be required to take a minimum of one meter reading per batch period to determine whether:

- Valid meter readings will prompt Reconciliation (and AQ update)
- If the selected meter reading isn't valid, CDSP will select one more meter reading to validate
- CDSP will assign 'assured' status to remaining meter readings in the batch if the selected meter reading is valid
- Assured meter readings contribute towards meter reading performance
- Users are still required to validate all meter readings.

The tables in slide 3 were used to illustrate 3 examples of read acceptance:

- First reading accepted; remaining readings assured
- First reading rejected (and second accepted); remaining readings assured
- First and second reading rejected, remaining readings not assured.

SHa highlighted the changes in the UNCVR at paragraph 1.1.1 which confirm that the validation is only on readings being taken forward. He also drew attention to the new Appendix E within the UNCVR document. The appendix sets out the assessment principles for meter readings where the CDSP is not assessing all meter readings submitted as to whether they are valid.

SHa then briefly took Workgroup through the last slide in the presentation in relation to the suspension of inner tolerance checks for all Class 3 meter readings.

He added that if a read in the batch is outside the 10-day window it would still be counted as a received reads for performance monitoring purposes. Ideally, Xoserve want to receive batches within the 7 day window but will accept batches within the 10 day window to allow for contractual hand-offs.

In terms of impact on performance monitoring of assured versus non-assured read statistics would be collected and SHa agreed to seek clarification on how they would be compiled.

5.2. Panel Request for UIG Modifications Prioritisation

AR introduced this agenda item stating that the Modification Panel has asked both UIG and Distribution Workgroups to review the current UIG related Modifications and provide an assessment of what should be prioritised for discussion at the September Panel meeting.

TS suggested that a review group should have been set up at the outset. This would have allowed a holistic approach to the development whereas the current approach has enabled Modifications to be developed in a random way. She added that some of the Modifications are clearly related and should be considered together.

RP agreed that we need to understand how the Modifications relate to each other.

Andy Clasper (AC) echoed these comments and stated that there is potential for confusion, duplication and the impact and prioritisation need to be understood.

TS also added that Transporters are investing time and resource to provide Legal Text and it would be helpful to be able to better focus resources.

TS shared with Workgroup a short table she had prepared providing analysis of the different UIG related Modifications and which Class category (1-4) is impacted and also when the Modification is likely to be reporting to Panel.

RP agreed that Panel could co-ordinate and align reporting dates.

Workgroup also recognised that some Modifications have been proposed as a result of the UIG Task Force and are sponsored which may mean they are not developed as proactively.

ER reported that a similar discussion had been held at the UIG Workgroup meeting on 20 August 2019 and Fiona Cottam had shared a table of the UIG related Modifications. Workgroup briefly reviewed this table and compared it with the one produced by TS. It was suggested that an amalgamation of the two tables would be helpful and an additional column providing commentary, for example to identify related Modifications. It was also noted that the table shared at UIG was incomplete as it did not include Modifications 0692S and 0700 (Urgent).

New Action 0805: Joint Office (AR) to liaise with the chair of UIG to provide feedback to Panel on behalf of Distribution Workgroup.

5.3. Modification 0665 – Changes to Ratchet Regime

SM raised an issue in relation to a significant number of notices of Class 1 designations which appear to be inconsistent with the volumes Gazprom expected to have to manage. In addition, Gazprom have also seen “justifications” in the notices which appear to be inconsistent with the guidance document.

SM reported that Gazprom have had formal notification on 16 August 2019 of sites that are in scope of Modification 0665. He acknowledged that this is the first time this process has been undertaken but was concerned about the numbers, he reported that Xoserve have confirmed that there are 456 Class 1 sites. Of these, Gazprom has a significant number of sites in scope of the obligation set in the Modification. A number of the sites are already Class 1 but the majority would be re-designated as new Class 1 sites under this Modification.

SM was concerned that the numbers involved represent a significant increase in the Class 1 population. He understood that there is a 20 day window until 09 September for appeals but also had concerns in relation to the justifications provided which he believed to be inconsistent with the guidance and consequently, there may be a lot of appeals from Gazprom.

SM shared an email that he had sent to Joint Office showing the current Class, the justification for designating it as Class one and the reason why the Shipper could raise an appeal. He indicated that Gazprom will appeal some directly without contacting the customer, as the justification is not consistent with the Class 1 Ratchet Charge Guidelines Document

Transporters thanked SM for drawing this issue to their attention early in the process.

A brief discussion took place about the guidelines document and the governance arrangements. It was noted that the document was published on the Joint Office website as a draft under the

Modification. It was also noted that the guidelines document is referenced as part of the Legal Text changes but is not published in the list of UNC Related Documents.

New Action 0806: Joint Office (AR) to check where the Class 1 Ratchet Charge Guidelines Document is published and to publish a final version within the UNC Related Documents.

A lengthy discussion took place on how to address this issue given the Modification implementation date is 01 October 2019.

It was suggested that examples of where there is no valid justification should be sent back to the relevant Transporter for review. Xoserve confirmed that no action will be taken while an appeal is in place.

Another suggestion was for Xoserve to manage the process, however ER felt that this would delay the process when timelines are already short. She suggested that Shippers communicate the queries directly with Transporters.

SM suggested a suspension of the process to enable the queries to be resolved. Workgroup agreed that this would be a sensible approach and that Xoserve should send out a communication to Shippers to confirm the next steps.

SM welcomed the suggestion of a restart.

Following a query from KD about how the wider community will be informed, it was agreed that it would be sensible to only contact the Shippers that have been contacted by Xoserve on 16 August as this represents the Shippers who are impacted.

KD still felt that a wider communication is needed as other Shippers might be affected subsequently. RP reminded Workgroup that this is a one-off process.

SM summarised that the 2 options discussed by Workgroup. The first is to do nothing and allow Shippers to go through the appeals process. The second is to recognise the issue and implement a pause to the process for affected parties, to explain the reasons for the delay and highlight what further information is needed and the timelines to provide it in. It was suggested that Xoserve issue a communication to affected Shippers outlining the revised schedule. It was agreed that the Transporters should be given until Friday 06 September to review the lists, the reasons for re-designation and to provide a re-validated list.

New Action 0807: Xoserve (ER) to issue a communication in relation to those Shippers re-designated as Class 1 and provided details of the suspension of the process and what actions are required and the associated timelines.

Lorna Lewin (LL) requested that the list provided is consistent with the guidelines and emphasised that customers need to be provided with sufficient information to allow them to challenge a re-designation decision.

AR confirmed that there will be a suspension until 06 September to allow Transporters to re-validate the lists and the clock will restart from then giving the 20 day window for appeals.

ER clarified that ratchet charge soft landing rules would apply.

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
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10:30, Thursday 26 September 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Distribution Workgroup standard Agenda
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Action Table (as at 22 August 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0701	25/07/19	5.1	All Workgroup participants to familiarize themselves with the CSS Detailed Design Report ahead of the next DWG meeting. CSS Consequential Changes – Detailed Design Report to July Modification Panel	All	Closed
0801	22/08/19	2.0	Xoserve (ER) to confirm if the estimated meter reading will be taken at D+5 or D+10.	Xoserve (ER)	Pending
0802	22/08/19	2.0	Xoserve (ER) to provide an update on how the Gas day misalignment is being addressed.	Xoserve (ER)	Pending
0803	22/08/19	2.0	Xoserve (ER) to provide an update on the NOMs and Offers process and whether real time pricing can be provided.	Xoserve (ER)	Pending
0804	22/08/19	6.1	Xoserve (SHa) to remove all house-keeping related changes with the UNC Validation Rules document for the approval at the 29 August 2019 UNCC Meeting.	Xoserve (SHa)	Pending
0805	22/08/19	6.2	Joint Office (AR) to liaise with the chair of UIG to provide feedback to Panel on behalf of Distribution Workgroup.	Joint Office (AR)	Pending
0806	22/08/19	6.3	Joint Office (AR) to check where the Class 1 Ratchet Charge Guidelines Document is published and to publish a final version within the UNC related documents.	Joint Office (AR)	Pending
0807	22/08/19	6.3	Xoserve (ER) to issue a communication in relation to those Shippers re-designated as Class 1	Xoserve (ER)	Pending

			and provided details of the suspension of the process and what actions are required and the associated timelines.		
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