

UNC Distribution Workgroup Minutes
Thursday 24 September 2020
via Microsoft Teams

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

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

1. Introduction and Status Review

Kate Elleman (KE) welcomed everyone to the meeting.

1.1. Approval of Minutes (24 August 2020)

The minutes from the previous meetings were agreed.

1.2. Approval of late papers

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

1.3. Review Outstanding Actions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Carried Forward to October

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

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

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

Closed.

1.4. Modifications with Ofgem

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

ML advised Ofgem are still considering this internally.

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

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

1.5. Pre-Modification discussions

1.5.1. Updating specific gender references to neutral terms

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

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

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

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

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

Workgroup feedback was given as follows:

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

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

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

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

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

2. Workgroups

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

(Report to Panel 17 December 2020)

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

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

(Report to Panel 17 December 2020)

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

2.3. 0730 – COVID-19 Capacity Retention Process

(Report to Panel 15 October 2020)

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

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

(Report to Panel 17 December 2020)

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

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

(Report to Panel 17 December 2020)

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

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

(Report to Panel 19 November 2020)

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

3. UIG Update

3.1. UIG Update

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

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

4. COVID-19 Issues

4.1. Update from September 2020 UNC Panel

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

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

5. CSS Consequential Changes – Detailed Design Report

DA advised there was no update this month.

6. Issues

None raised.

7. Any Other Business

7.1. Customer Count Reporting (KD)

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

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

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

This concluded the update from KD.

7.2. Reporting between the CDSP and the DTSA

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

7.3. Soft Landing Ratchet Charges Discussion

Soft Landing Ratchet Charges

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

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

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

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

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

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

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

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

C2 Ratchets

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

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

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

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

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

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

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

8. Diary Planning

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

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

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

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