

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	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) Update: presentation shared at July DWG. Agreed to provide further update at Oct DWG meeting following DSG in Sep.	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
0601 & 0602	25/06/20		Consider options for dealing with consequences of estimated-actual Meter Reads (Mod 0722)	July 2020	CDSP (DA)	Closed
0603	25/06/20		Joint Office (AR) to produce a handover plan for when UIG is disbanded and any items move from UIG to DWG	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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