

**UNC Workgroup 0819 Minutes
Establishing/Amending a Gas Vacant Site Process
10:00 Thursday 24 August 2023
via Microsoft Teams**

| Attendees | | |
|--------------------------|-------|---------------------------|
| Rebecca Hailes (Chair) | (RHa) | Joint Office |
| Ben Mulcahy (Secretary) | (BM) | Joint Office |
| Lee Greenwood (Proposer) | (LG) | British Gas |
| Andy Clasper | (AC) | Cadent |
| Charlotte Gilbert | (CG) | BU-UK |
| Colin Paine | (CP) | Engie UK |
| Colin Wainwright | (CW) | SGN |
| David Mitchell | (DM) | SGN |
| Edd Green | (EG) | Eon Next |
| Fiona Cottam | (FC) | CDSP (Xoserve) |
| James Barlow | (JB) | CDSP (Xoserve) |
| James Harris | (JH) | Wales & West Utilities |
| James Lomax | (JLo) | Cornwall Insight |
| Jenny Rawlinson | (JR) | BU-UK |
| Josie Lewis | (JLe) | CDSP (Xoserve) |
| Julie Chou | (JC) | Wales & West Utilities |
| Kevin Clark | (KC) | Utilita |
| Louise Hellyer | (LH) | TotalEnergies Gas & Power |
| Mark Jones | (MJ) | SSE Energy Supply |
| Paul Orsler | (POr) | CDSP (Xoserve) |
| Paul O'Toole | (POT) | Northern Gas Networks |
| Peter Morgan | (PM) | SGN |
| Richard Tester | (RT) | CDSP (Xoserve) |
| Sharon Dudley | (SD) | CDSP (Xoserve) |
| Slama Akhtar | (SA) | Northern Gas Networks |
| Steve Mulinganie | (SM) | SEFE Energy Limited |
| Tom Stuart | (TSt) | Wales & West Utilities |
| Tracey Saunders | (TS) | Northern Gas Networks |

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 October 2023.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0819/270723>

1.0 Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting and gave a brief overview of the scheduled items for discussion.

1.1. Approval of Minutes (27 July 2023)

The minutes from the meeting held on 27 July 2023 were approved.

1.2. Approval of Late Papers

RHa confirmed that there were no late papers to report and asked the CDSP for an update on the provision of a Rough Order of Magnitude (ROM) for the Modification.

Paul Orsler (POr) advised that the ROM was being finalised and should prove available before the close of the meeting.

1.3. Review of Outstanding Actions

Action 0602: CDSP (ER) to provide awareness of Modification 0819 in REC space regarding GES and DAM

Update:

POr shared that recognition had been expressed within the soon-to-be-issued ROM for related REC Change to be progressed, but that this would be managed separately, confirming that this would not hold up the modification. He committed to ascertaining as to whether it needed to be in the Data Access Matrix (DAM) and would discuss this with David Addison and their Shipper customers.

RHa recalled discussing the viability and, separately, the desirability or otherwise of making Vacant status visible for third parties on GES.

Steve Mulinganie (SM) agreed it had been discussed, stating that any such visibility needed to be fairly limited.

RHa asked the Proposer if the Modification specified such a requirement.

Lee Greenwood (LG) replied that he did not think the status should be visible in GES given that a supply would come out of Vacant status should it transfer (triggered by a change of supplier).

SM acknowledged that there had been a concern discussed about an incoming Shipper taking a site and whether they should have visibility of its status.

Louise Hellyer (LH) suggested that it could be the case that a site might contract with a Shipper first before starting to consume energy, so it is probably right that the status be removed, adding if the site was part of a larger customer portfolio, they should be managing it as part of a group and thus inform the Shipper that the site is vacant.

SM observed that there was a benefit of knowing the status from the start of supply.

LH stated that she did not think it did any harm to know but it probably should not be a requirement, whilst recognising from a customer point of view they would want the Shipper to manage it.

SM agreed that having the customer inform the Shipper would provide a heads-up to manage the responsibilities to register the site as Vacant again, stating that it felt like there was value here.

RHa observed that the Modification's Business Rules currently state that a transfer (change of supplier) takes a site out of Vacant status.

SM responded that it was a fair point that it was the duty of the incumbent Shipper to enact the Vacant Status.

RHa asked that parties consider this scenario, which would remain the case that visibility of a Vacant Status is not available to third parties unless an alternative case is made.

Action Closed

Action 0701: Proposer (LG) to confirm the outcome of failing to meet the criteria specified under “Rejection of Vacant Status” in the Guidance Document.

Update:

This Action was completed and discussed in more detail under Item 4 below

Action Closed

Action 0702: Proposer (LG) to add a statement at the beginning of the Guidance Document that sites designated as Vacant are an area that falls into PAC visibility, and Shippers may be called upon to justify their position.

Update:

This Action was completed and discussed in more detail under Item 4 below.

Action Closed

Action 0703: Legal Text Provider (AC) to amend 10.1.1 to state “... is neither an operational Smart Meter nor Advanced Meter.”

Update:

This Action was completed and discussed in more detail under Item 5 below.

Action Closed

Action 0704: Legal Text Provider (AC) to confirm legal view as to refer to sites being ‘registered’ or ‘classified’ as Vacant.

Update:

The Legal Text Provider addressed this issue in Item 5 below.

Action Closed

2.0 Amended Modification

Lee Greenwood (LG) advised the Modification had not been amended and that it was only the Guidance document that had been updated.

3.0 Review of New ROM

POR talked in general terms that the costings within the new ROM were likely to remain as before, with it being predominantly a UK Link file solution, either using existing file formats or a new one, to enable the CDSP to respond with rejections and reasons.

SM suggested that such file changes would impact all Parties, as their systems would all need changes made at their costs.

POR responded that if it used a new file format it would not necessarily be the case. He added that they were not suggesting there should not be a CMS option to add in vacant sites flag, but in reviewing the requirements it was apparent that the lion’s share of the work is within the UK Link system, doing all the logic etc. He added that CMS was not a reporting tool so would not allow reporting in that system, hence revisions were being made, and reiterated that the cost is more or less the same, advising that the timeline was roughly six months to enable a baseline

design, but different options could be considered, such as tweaking an existing file or introduce a new file.

The new ROM was then made available during the meeting to enable POr to share with the workgroup. Workgroup considered having, for example, an hour to read and consider the document but this was rejected on good governance grounds. SM observed the Workgroup had the time available to review the ROM as a group and that it would probably be better to have the CDSP talk the attendees through the document.

With this agreed, POr shared a view of the new ROM, based upon its precursor which had been completed by colleagues and largely remained much the same with some tweaks to the criteria and Business Rules (BRs) introduced since it was written in February 2023. He stated that it provided more detail on how the CDSP was looking to use CMS without adding additional complexity.

SM observed that another option may be better for Parties other than the CDSP, who may value the additional potential cost of a more CMS-based solution. POr responded that he felt this was a fair comment, adding that the CDSP considered economic costs with the best of intent. SM noted that the new and costly CMS system now potentially created a second possible route for system solutions which should be explored. POr advised that the intention with the ROM was to leave it open for a later decision on the actual solution, and simply quoting a range of costs and options was desirable so that a more complete view of the different options could be considered as the solution was taken forward.

RHa requested that a tracked change ROM be sent to the Joint Office for publishing so Parties could see the differences between the existing and the former ROM.

POr agreed to compile and provide a tracked change version of the document after the meeting.

POr continued to review the new ROM, noting that new PARR reporting based on criteria set by PAC was called out in the ROM and that the CDSP will seek to ensure that DDP will have functionality that will remain appropriate after the vacant site change had been delivered. He also noted that Customer Classes were potentially impacted, as were Shippers and DNs as relief was applied to some charges, with potential IGT impact also noted.

RHa asked the Proposer if the Modification affected any Transmission charges, or if the impact was only Distribution charge related, prompting other participants, especially those from DNs to speak up if they were able to confirm if Transmission charges were relevant.

LH responded by suggesting that there is the general transmission charge, which is a small element of the transportation charge under this element, which changes in October each year (suggesting it was not a DN charge) and not April (which is when DN charges would be updated). As such there is an element that Parties do pick up, adding that was the question will this be captured.

RHa shared that she believed it was the case that none of the Transmission charges were affected. Lee Greenwood (LG) as Proposer, agreed.

POr reviewed the Overview of the Impacts of the solution and talked through the high-level analysis across the CDSP estate adding that they would call out if a new type of file was required as a New CMS Contact (Variant) and read through the proposed process. This would mean that IGTs who also use the Bulk Contact Logging (BCL) would need to use it, as would Shippers (even if they are not using the Vacant status).

SM commented that a lot of the heavy lifting was within the UK Link and asked what the extra cost was for providing both routes to customers, which would help Parties understand the

options. The CDSP agreed to consider providing the costs of various options giving Parties more choice.

POR resumed reviewing the ROM, sharing that a new file format could use an existing file format that could remain as is and talked through this process.

James Barlow (JB) took the Workgroup through the UK Link Changes detailed, with new validation irrespective as to whether IX or CMS, with the criteria detailed in the Modification and Guidance Documents captured, complete with details of the transportation reliefs of settlement, commodity and performance obligations (must read, read performance etc) that would go to PAC.

POR covered the DDP section and the Consequential changes to existing dashboards, which RHa noted included details of shippers as to rejections and rejection reasons for PAC.

Whilst POR agreed and expressed the intention to also include it, potentially under point 20, RHa advised that it was PAC's call as to what was to be included. POR responded that the CDSP have presented to PAC what could be collated in the past, enabling PAC to take a final call on what to include and as such he expected they would use a similar approach in this case.

SM picked up on the text that stated that both accepted and rejected transactions would be considered for exit asking if this was where meter reads come in as they were the only criteria he could recall and asking if there were others.

JB advised that UPD can carry more, such as new physical metering information, which under the BRs would result in a site coming out of the Vacant status. He added there would be more detail later on.

The ROM listed CDSP Estate and UK Link component impacts in a table with CMS impact listed as medium, though Por acknowledged this would change if the Change subsequently included reporting etc. via a CMS Solution. UK Link Network element was also listed as medium impact, with changes to BSL or file formats in IX being activities the CDSP had done before and required testing, awareness training and performance tracking. DDP was listed as High Impact with the read dashboards already integral to the industry, these screens and reports would need to be changed. POR also noted that GES was listed as not applicable to Change as the Modification was currently written.

POR then moved on to the high-level cost and timescales, sharing that the enduring solution would cost at least £230k but probably not more than £655k, with a variant CMS solution increasing the overall cost estimates in the range of between £200k and £280k. He advised that the previous ROM, produced earlier in the Workgroup development phase, had a high-level cost estimate range of between £230k and £375k.

POR advised that following the further development of the UNC Business Rules and having had more time to assess the solutions, it was now that CMS would introduce an additional layer of validation, processing, and data transfer, which could be avoided if a full UK Link file-based solution is adopted.

Workgroup members acknowledged this point however there was a request to have clarity and to retain visibility of the choices of solutions available and associated costs to support industry consultation.

POR noted that, regarding any ongoing costs, the intention was for the Solution to be as automated as possible and that consequentially they did not foresee much management required after implementation. He added that the timeline would be extended by 4 weeks to capture variants and complexity so would be circa 24 to 28 weeks.

New Action 0801: CDSP (POr) to reflect the solution options in an updated ROM.

In regards to release scheduling, POr advised that the CDSP would scope a November 2024 release in February 2024, and to do this they would need to have a detailed design baseline (this was based on the 24 to 28-week delivery model). If this was not the case, then February 2025 would be targeted if the detailed design was available by April 2024. He added that as the solution needed customer solutions support set up it identified the Change as a Major release.

A June 2024 release was confirmed as not viable because it would require working at risk for most of the project.

POr confirmed that the Service Area allocation was for discussion at the DSC Change Management Committee but noted that it was expected that the services that needed to be managed and supported impacted Service Areas 2, 3 and 10. The standard cost allocations for these areas are:

Service Area 2 – Monthly AQ Processes (100% Shipper)

Service Area 3 – Manage updates to customer portfolio (90% Shipper and 10% DNO)

Service Area 10 – Invoicing Customers (12% NGT, 88% DNO)

4.0 Review of the revised guidelines document

LG confirmed a statement at the beginning of the Guidance Document that sites designated as Vacant are an area that falls into PAC visibility, and Shippers may be called upon to justify their position. (Action 0702 completed).

LG confirmed the amendment of the 'Rejection of Vacant Status' on the fourth page, specifying that the CDSP will validate against criteria 1 to 4 and 5a and 5c, in recognition that the CDSP would be unable to validate against the other, Shipper warranted, criteria.

SM acknowledged this was as discussed in the last Workgroup and made a wording request that the paragraph states that the Shipper 'requests' rather than 'notifies' the Vacant status.

POr confirmed that a file/notification of failure would be sent back to the Shipper when questioned on the matter. SM subsequently noted that the Guidance Document does not specifically state that notification of rejection would be made.

RHa suggested a blanket statement be added to note that at the point of rejection, the CDSP should notify the Shipper and asked how quickly this criteria validation result should be provided. LG suggested as soon as possible, adding he would like to see a response the next day after the request, but was unsure of the practicalities. SM suggested wording the requirement as soon as reasonably practicable, which LG agreed to add to the Guidance Document, advising of the rejection and the reason. POr advised that the CDSP had been working to that assumption anyway but noted that it did not harm to specify this.

LG advised that no further amendments had been made to the Guidance Document, which RHa acknowledged, advising that the date and version numbering needed to be updated. As this was to be a UNC Guidance Document, RHa also noted that this needed to be stated at the start and document control summaries needed to be added to the start of the document.

5.0 Review of Revised Legal Text

Andy Clasper (AC) talked the Workgroup through the latest changes to the Legal Text, advising that clause 10.1.1 states the Supply Meter Installation is 'Neither an operational Smart Meter

nor an operational Advanced meter' to address the lack of clarity the previous wording was found to exhibit.

Similarly, in clause 10.4.1 (e) the supply point is referred to as 'recorded' as Vacant, as the prior use of the word 'registered' in this sentence was thought ambiguous.

6.0 Development of the Workgroup Report

RHa shared a screen view of the Workgroup Report, confirming with the Workgroup the Governance assessment that this was not to be a Self-Governance Modification.

The Reference Documents were identified as needing competing, as well as reference needing to be made to the pertinent UNC Section, which AC confirmed to be Section V.

RHa asked if the PARR considerations were in hand within PAC, Jenny Rawlinson (JR) could not recall specific discussions on the matter in PAC, which SM agreed was the case suggesting that this was why the caveat about PAC monitoring was in the documentation.

JR questioned if the Workgroup Report should specify the reporting PAC will require and asked the view of other participants, asking if the Workgroup should consider scenarios where Vacant site requests had been made, which the Shipper felt they have all the criteria correctly identified but was subsequently rejected by the CDSP. In effect a measure where the Shipper believes sites to be empty but prove otherwise. She suggested that in such cases, from a Settlement perspective, there would be a gap where there is consumption that the Shipper was not expecting.

RHa suggested this be presented as a user story where the CDSP discovers meter reads.

SM shared the view that there was not any consequence of such a scenario though, adding it would only be where the site has been accepted as Vacant would there be an issue, with the CDSP rejecting the request meaning that Settlement would not be affected. Adding that this was the rationale behind the discussions of monitoring how long sites remain as Vacant and the reasons for when they are 'forced out' of the status due to one of the criteria being triggered.

JR asked if a CDSP report was required to monitor the behaviour of Shippers who request sites be recorded as Vacant to identify those who make a lot of these requests and/or get a lot of rejections from the CDSP.

RHa noted that if the CDSP did have the meter reads to reject such requests she would ask why the Shipper was not aware of them.

SM observed that if the Modification did seek to introduce a system of reporting it would need to define them, which could delay the Modification as they were designed, instead proposing a preamble that recognised that the Modification touched on areas of PAC interest.

LG agreed, stating he was keen to get the Modification progressed and noted that there would be changes to PAC reporting relating to the AQ Correction Codes introduced by Modification 0816S - Update to AQ Correction Processes which would be similar to those likely to be considered when reviewing the impact of this Modification so were likely to be captured at the same time.

JR agreed that the specifics of the PARR Reporting should not hold up this Modification.

POr advised that the ROM recognised that PARR reports would be required and would need to be shaped by the PAC.

JR asked if the wording in the Solution that stated, '*This Modification also seeks to introduce additional reporting in the Performance Assurance Report Register (PARR) regarding the Vacant sites process.*' needed to be removed.

RHa added alternate wording in the WGR and asked if the PAC required to be advised that the

PARR needed amending and suggested that the Joint Office and CDSP seek confirmation from PAC if any commentary or specification for the PARR in the WGR was required.

New Action 0802: Joint Office and CDSP to seek PAC view as to the value of adding PARR considerations in WGR

The Workgroup discussed the Impacts and Other Considerations and the commentary about Customers potentially receiving lower bills. LG noted that if an AQ is lowered as a result of the site being Vacant then the billing could be lower.

JR shared that her reading of the Modification suggested the Shipper was not getting any information from the customer, and as such the billing will be just the basic charge, so she was not sure bills would be lower, and thought it more likely the benefit would be more accurate bills.

RHa advised that it was the Proposer's decision to retain or remove the reference to Lower Bills.

SM noted that Improved safety was given as an impact, sharing that he was sure all parties were already fulfilling their safety requirements, and as such an implication there is more that could be done was unfounded. In subsequent discussion, the Workgroup agreed that the text provided in this Area was better suited to feature under 'Improved quality of service.'

LG provided an update on the IGT UNC considerations, advising he was presenting to the IGT Panel Workgroup on 25 August 2023. To which JR added that the IGT Panel was to assess if the proposal was sufficient to progress, adding that it was numbered IGT168 and asked the Proposer if the changes made in this Workgroup would be added and presented to the IGT Panel, which LG confirmed was to be the case.

JR requested that, since changes were to be made to the IGT Modification, the Transportation Charge elements be confirmed as being in relation to DNOs and not IGTs, adding that, as an IGT UNC Modification Panel member herself, she thought this clarification might help. She asked if this understanding was accurate.

LG and POr subsequently both confirmed it was Commodity Charges in the first place that would be reduced, with Capacity Charge reduction available, should the Shipper request it, in the second part. These were all DNO and not IGT-specific charges.

JR added she thought it advisable that, wherever Transporter charges are referred to, this should be clarified, and to also make it clear within the Modification at some point that all IGT charges are excluded, so, for instance, parties know that IGT Metering charges are not included.

RHa asked LG if the Amending a Gas Vacant Site Process Guidance Document is referred to as a UNC-related document within the Modification, LG confirmed this was included in BR1.

RHa advised Implementation would normally be worded "as soon as reasonably practicable" suggesting that this be added as a 'for the avoidance of doubt' statement.

In reviewing the text for Relevant Objectives, SM was not certain if 'Upfront costs' was the right term to use. LG explained it referred to the need for Shippers to pay commodity charges upfront, which are subsequently reconciled on meter reads when they come in. SM suggested that 'upfront' might engender some pushback or questions.

RHa suggested the use of 'not applicable' which SM agreed was better as they were costs that were not necessary.

Tracey Saunders (TS) posed the question as to whether this would increase charges for the rest of the community as a counterbalance, noting that Transportation costs are net neutral, thus if something changes in one aspect, then it will balance out in another area's costs.

SM observed that it was better recovered elsewhere than from a party with a Vacant site.

LH submitted that the principal works while we have a gas system that is widely used and that if it got to the point that everyone was registered as Vacant then this would need to be considered. If it is a minority classified as Vacant then it is not such an issue.

TS observed that this raised the question regarding transportation balancing, and if there were to be many sites going vacant on implementation of the Modification.

SM asked if it mattered as the issue around redistribution is about the Capacity element after 12 months not the Commodity part at the start of this Modification.

TS agreed it was regarding Capacity.

SM continued that this would be reflective of an AQ dropping to 1 had it been possible to either obtain a meter read from visiting the site or if an Advanced meter or Smart meter was installed. As such this was not so much about a risk of parties taking advantage but correcting towards the actual use and addressing an imbalance that non-smart customers did not have the advantage of having, and their current exposure to higher AQs being automatically reduced.

TS suggested that the step change being at the 12-month marker needed to be considered in the assessment as well.

SM agreed, noting that it was not automatic, and was an option, stating that it did not give an advantage and instead just levelled the playing field.

RHa asked the Proposer if he had a view of how many sites are likely to go Vacant, which LG did not have a view of. The Workgroup discussed how best to assess the likely demographic the Vacant status could be applied to and asked the CDSP for a view.

POr sought to clarify the question, suggesting that the criteria would be Class 4 sites, rather than reviewing every site that had not had a meter read.

SM observed that whilst this could be the only way to get an idea, though it was a worst-case scenario, and misleading in as much as there would be Smart and Advanced meters in Class 4, with the true criteria being inaccessible meters. He suggested that perhaps the WGR note that the Modification Panel may wish to ask parties to provide to the Authority any indicative numbers they have, though was aware doing such was a bit leading and did give the Authority a reason to delay a decision.

RHa commented that it was possible that the volume of sites could prove small.

TS shared that her view that given a Modification had been raised there was an expectation that there were enough eligible sites to make the Code changes worthwhile.

LH suggested that a stipulation be set that a Review Group be convened if 10% or more of the population is classified as Vacant and asked if suggesting that the cost of all these parties being shifted across to the remaining population was fair. She added that hopefully, it would never get to this point but at least the measure would be in place.

TS put forward that a report that detailed how many sites are registered as Vacant compared to sites with Smart or Advanced metering that registered zero consumption would be useful.

LG responded that such a report had been suggested as a PAC report originally but had been removed to prevent the implication of impinging PAC self-determination when assessing their reporting requirements.

TS replied that she perceived the report being provided to DNs by Xoserve for their review rather than Settlement purposes and commented that she would liaise with the other DNs as to what may be required.

7.0 Next Steps

The Proposer is to provide an amended Modification for the next Workgroup to review.

The CDSP to provide a copy of the revised ROM.

Consider any IGT Modification feedback.

The Workgroup Report is to be finalised.

8.0 Any Other Business

No other business was discussed.

9.0 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 |
|-------------------------------------|----------------------------|--------------------|---|
| Thursday 10:00 28 September 2023 | 5 pm 20 September 2023 | Microsoft Teams | <ul style="list-style-type: none">• Review the amended Modification Proposal.• Review amended ROM• IGT Update• Conclusion of Workgroup Report. |

| Distribution Workgroup Action Table | | | | | | |
|--|---------------------|-------------------|---|----------------------------------|------------------------|----------------------|
| Action Ref | Meeting Date | Minute Ref | Action | Owner | Reporting Month | Status Update |
| 0602 | 22/06/23 | 2 | CDSP (ER) to provide awareness of Modification 0819 in REC space regarding GES and DAM | CDSP (ER) | August 2023 | Closed |
| 0701 | 27/07/23 | 1.3 | Proposer (LG) to confirm the outcome of failing to meet the criteria specified under "Rejection of Vacant Status" in the Guidance Document. | Proposer (LG) | August 2023 | Closed |
| 0702 | 27/07/23 | 1.3 | Proposer (LG) to add a statement at the beginning of the Guidance Document that sites designated as Vacant are an area that falls into PAC visibility, and Shippers may be called upon to justify their position. | Proposer (LG) | August 2023 | Closed |
| 0703 | 27/07/23 | 3 | Legal Text Provider (AC) to amend 10.1.1 to state "... is neither an operational Smart Meter nor Advanced Meter." | Legal Text Provider (AC) | August 2023 | Closed |
| 0704 | 27/07/23 | 3 | Legal Text Provider (AC) to confirm legal view as to refer to sites being 'registered' or 'classified' as Vacant. | Legal Text Provider (AC) | August 2023 | Closed |
| 0801 | 24/08/23 | 3 | CDSP (POr) to reflect the solution options in an updated ROM. | CDSP (POr) | September 2023 | Pending |
| 0802 | 24/08/23 | 6 | Joint Office and CDSP to seek PAC view as to the value of adding PARR considerations in WGR | Joint Office & CDSP (RH a & POr) | September 2023 | Pending |