

**UNC Workgroup 0819 Minutes
Establishing/Amending a Gas Vacant Site Process
10:00 Thursday 28 September 2023
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Ben Mulcahy (Secretary)	(BM)	Joint Office
Lee Greenwood (Proposer)	(LG)	British Gas
David Mitchell	(DM)	SGN
Edward Allard	(EA)	Cadent
Ellie Rogers	(ER)	CDSP (Xoserve)
Gurvinder Dosanjh	(GD)	Cadent
Harry Hailwood	(HH)	Brook Green Supply
James Lomax	(JLo)	Cornwall Insight
Jenny Rawlinson	(JR)	BU-UK
Josie Lewis	(JLe)	CDSP (Xoserve)
Kathryn Adeseye	(KA)	CDSP (Xoserve)
Kevin Clark	(KC)	Utilita
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE Energy Supply
Paul O'Toole	(POT)	Northern Gas Networks
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/0819/280923>

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. The Proposer agreed with the view that the Modification's development appeared on track for the reporting date of 19 October 2023.

1.1. Approval of Minutes (27 July 2023)

The minutes from the meeting held on 24 August 2023 were reviewed, during which CDSP representation requested that references to the ROM presented in that meeting be altered to reflect that it was a *new* ROM, rather than an updated one, because so many requirements had changed since February 2023 when the first ROM had been produced, that the CDSP had created the latest version afresh, rather than revise the existing one. No objections were raised to this amendment, and on the basis that the Joint Office would review the minutes offline to replace all references of 'revised' with 'new' and re-issue, the minutes were approved.

1.2. Approval of Late Papers

There were no late papers to report.

1.3. Review of Outstanding Actions

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

Update:

An updated version of the second ROM has been received from the CDSP for the Workgroup to review.

Action closed.

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

Update:

Ellie Rogers (ER) advised that this Modification was discussed at the last Performance Assurance Committee (PAC) on 18 September 2023 and gave a verbal summary of the current PAC view. She explained that it was essentially that the Modification was on the PAC radar with the expressed intention to monitor its impact. To this end, a draft update to the PARR has been created and approved by PAC, which would enable them to start to fine-tune what they wish to track. As such ER felt the matter was in hand but not finalised, asking any other PAC members present in the Workgroup to correct any aspect they felt she had not portrayed correctly. The Chair asked for confirmation that the matter was in hand, to which ER confirmed it was, though in draft, adding her understanding that it was undesirable to detail the specific reporting within the Modification as this may mislead Parties to believe the reporting finalised.

Action Closed.

2.0 IGT Impact Update

Lee Greenwood (LG) advised the Workgroup that he had attended an IGT Workgroup on 14 September 2023 where the IGT Modification had been reviewed. Jenny Rawlinson (JR) confirmed this, stating that all the subsequent changes that had been requested by the IGTs had been made, with the intent being to defer to the October Workgroup after this current UNC Workgroup meeting for a final review and to finish the Workgroup Report (WGR), adding that progress was underway from an IGT perspective.

3.0 Amended Modification

LG was asked to lead the Workgroup through the most recent changes to the Modification but deferred from doing so to mention an email he had received from Tom Stuart (TSt) of Wales & West Utilities (WWU) that questioned an aspect of the Solution.

TSt apologised for the late raising of this issue but asked about the eligible vacant sites and how the services would remain live in case the supplies may become active again. To do so required maintaining the service and associated aspects such as emergency service cover would come at a cost for the DNs, and as such he suggested that the supplies should still be charged an element of Transporter charges to account for this, rather than be completely exempt from them.

He proposed that the Workgroup should consider how this would work, what part of the transportation charges this applies to and if there is a customer charge that should be treated as a standing charge that would remain in place. The workgroup discussed this at length,

Tracey Saunders (TS) noted that the Workgroup had already stated that the sites would be processed in the same manner as BAU and was now seeking to clarify the specifics of BAU. She suggested that the aim was to ensure these sites without AMR or Smart metering are managed in the same way as those sites that do have AMR or Smart metering. If BAU is applied equally then the question had been answered. SM agreed, noting that even if the consequence was that the Customer Charge is removed for those sites, as long as the approach is consistent with sites with AMR/Smart then the objective has been achieved, adding that this Modification would not change the arrangements, and just forces non-AMR/Smart meters into the BAU.

TS and TSt jointly asked it to be noted that there were concerns about non-AMR/Smart sites not being managed in the same way as automatic readings would not be received into central systems for sites captured under this Modification, making the resumption of consumption harder to identify and account for. The Workgroup discussed this concern, noting that automatic reads are not directly received by the central systems and need to be provided to the CDSP and then accepted through validation by the system.

TS added that sites that are smart/AMR would come out of the system naturally, while as these sites would need to be managed and she did not think such a process existed, as the provision of meter readings required site visits.

SM observed that the Modification required the sites to be revisited, with a stipulation to keep revisiting to maintain the Vacant status. The Proposer confirmed this, stating that there was an onus on the Shipper/Supplier to maintain these sites that was already on the PAC radar. SM highlighted that this provided parity with the current obligations in that if a Shipper fails to provide AMR/Smart meter reads they would be in breach of the Code in the same way as they would be if they did not react to the onus put in place by this Modification.

TS asked if the PAC monitoring would be around volumes and not periods, to which ER replied that durations of time were included in the considerations of the draft PAC reporting, using sectioned periods to identify, for example, if one Shipper has larger volumes of sites within a period grouping, enabling PAC consideration as to if it was disproportion and whether to ask Shippers to confirm if they have performed their site visits.

TS expressed a preference for sites dropping out of Vacant status unless some form of update was submitted by Shippers but acknowledged that the PARR reporting described did mitigate her concerns somewhat. TSt agreed, noting that the concern that non-AMR/Smart supplies would be difficult to monitor for resumption of supply, but was minded not to hold up the Modification if the Workgroup was comfortable that the PARR reporting for PAC was sufficient to address the issue.

TS asked after the process if PAC did identify a Shipper with a disproportionate number of long-term Vacant sites, to which the Chair confirmed that PAC can request the information that the Modification obligates the Shippers to collate and verified that the PAC had the powers to ensure this is completed and could also request actions by third parties that could be charged back to the UNC Parties under consideration. SM added that ultimately if a Party was not compliant with the Code there were enough Parties within the PAC who would be commercially impacted by it that would look to address the issue through Modification proposals if it came to it.

ER fed back from the CDSP SMEs that LDZ Customer Charges for Capacity stated that under a certain value AQ, the charge becomes Capacity-based, whilst over that AQ value it is based on the SOQ. She added that under this Modification, there are no rule changes, the same logic will exist that exists currently.

Kathryn Adeseye (KA) raised a question on behalf of the DSC Change lead team, requesting a view from the Workgroup about the CDSP commencing development for a Modification whilst the industry was awaiting an Authority decision, which she acknowledged would be operating at risk, but was under consideration in the interest of getting the Change in place as promptly as possible. ER added that it was likely that the CDSP would be asking such questions more often to feedback into the discussions in the DSC Change Management Committee to further manage expectations on implementation lead times.

SM responded that he thought it a useful question to ask as this was not a contentious Modification meaning that there should be a common desire to move forward with it. He went on to suggest it was a difficult question to respond to if Parties were not clear on how much regret spend was likely, given that development was a major part of the cost of a Modification.

ER felt this to be a fair question and thought getting at least a percentage figure, with the bulk spend usually being during the few months before implementation when building the Solution, would provide a useful steer. She advised that she did not have the answer yet but would look to discuss obtaining it within the CDSP, adding that Change Reference Number XRN5615 had been allocated to this Modification, <https://www.xoserve.com/change/customer-change-register/xrn-5615-establishingamending-a-gas-vacant-site-process-modification-0819/>

The Chair asked if taking this approach fettered the Authority's decisions for Modifications, which SM responded to by noting that the decision to spend money was the industry's to make, as was whether to fund at risk. ER added that the consideration was more pertinent for Modifications awaiting an Authority decision, as there was a clearer understanding of when approval was likely for Modification Panel decisions on Self Governance Modifications to which the CDSP could plan to.

The Chair commented that she might recommend this be issued as a question in the Consultation, with Workgroup Participants acknowledging that ultimately the decision rested with the DSC Change Management Committee, though noting that this was a request for opinions to feedback to deliberations on that decision.

4.0 Review of revised ROM

Please note that copies of the ROM, and changed marked version pertinent to this discussion are available for review at www.gasgovernance.co.uk/0819/280923; and as such, they are not replicated in detail here.

KA led a review of the ROM, noting the changes to 3b *Overview of Impacts*, explaining that this made more explicit that any potential changes to the Gas Enquiry System (GES) would be subject to a REC Change being raised and as such was not covered under this ROM. She added that discussions had been conducted with the REC who had fed back that they did think some items would be beneficial for GES, but this was being progressed outside of this ROM.

KA continued that Point 26 under *Assumptions* had also been amended to confirm that GES was not covered, and that Point 28 had been added to note that CMS consequential impacts were possible depending on the solution option chosen and this would be confirmed during the development of the Detailed Design. Also, renumber Point 29, specified that DDP delivery was anticipated to be within an existing scheduled release, but it was acknowledged that this was ultimately a decision for the DSC Change Management Committee.

KA advised that the original ROM had the impact on CMS listed as *Medium*, but this has now changed to *High* as CMS solutions are included in this ROM.

She also noted that the Implementation cost remained the same, with more context provided around the cost range. ER advised that the DDP variable was just one of the factors, with the bulk of the cost range relating to the CMS or UK-Link based solution consideration. She stated that the CDSP would make this clearer, and would tweak the wording, before confirming that the DDP part was less impactful to the range of potential costs and that if the CMS option is the preferred solution, the cost is likely closer to the higher end of the range given, stating that the UK Link system changes had to be delivered within a Major Release.

ER confirmed the CMS solution would still need to be part of a major release, as the UK Link element would need to be delivered at the same time, which would need a major release, with the earliest being November 2024 or February 2025, pending the Authority decision.

The CDSP representative highlighted that *Ongoing costs* were currently listed as unknown but would be assessed and confirmed in the detailed design phase.

ER added that the CDSP have been seeing customers requesting implementations quicker than the standard 6-month Shipper advance warning period and this was to be discussed in the DSC Change Management Committee.

When asked about the current Service Area and Funding allocations, ER confirmed that commentary was in the ROM, but was to be ultimately determined by the DSC Change Management Committee, adding that the Proposer had suggested a 50/50 split between DNs and Shippers. When the Workgroup was asked for views on this Gurvinder Dosanjh (GD) suggested leaving the funding proposal for the DSC Change Management Committee where it could be considered in the context of related aspects like the remaining budgets for the constituencies. Louise Hellyer (LH) confirmed that she too felt it appropriate to leave as a starting proposal for the DSC Change Management Committee to review.

5.0 Review of the revised guidelines document

The Proposer advised minimal changes had been made to the Vacant Site Guidance Document to add the Document control requested at the last Workgroup. He was asked to add a first line entry noting that the Modification was awaiting approval and subsequent notification of implementation date.

There was also a change to Rejection of Vacant Status, with the use of the word 'requests' instead of 'notifies', and that it had been added that when the CDSP rejects a request they will notify the Shipper of the rejection as soon as reasonably practical.

6.0 Review of Revised Legal Text (if required)

The Legal Text was unchanged, so a review was considered not to be required.

7.0 Finalise the Workgroup Report

The Chair shared a view of the Workgroup report, which the Workgroup reviewed and agreed to final wordings where any questions had still remained, this included revisiting discussions about consumer bill accuracy and wording the entry to make it clearer that whilst the Modification certainly could result in more accurate billing for Shippers, consumers may not be paying anyway as the sites would be vacant.

The Workgroup Report was finalised to the agreement of the Workgroup.

8.0 Next Steps

The Chair confirmed that the Workgroup Report would next be presented to the Modification Panel meeting on 19 October 2023, and described the next steps in the process to the Workgroup.

The Proposer asked if there were any further actions required from himself. The Chair advised that if the Authority did have questions they would approach the Modification Panel but advised that the Proposer was welcome to attend the Modification Panel when they were considering the Modification both before consultation on 19 October and afterwards at Final Modification report stage.

9.0 Any Other Business

No other business was discussed.

10.0 Diary Planning

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

With the Workgroup Report now set to go to the Modification Panel, no further Workgroup meetings are planned to take place.

Distribution Workgroup Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0801	24/08/23	3	CDSP (POr) to reflect the solution options in an updated ROM.	CDSP (POr)	September 2023	Closed
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 (RHa & POr)	September 2023	Closed