

UNC Distribution Workgroup Minutes
10:00 Thursday 26 October 2023
via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Charlotte Gilbert	(CG)	BU-UK
Conor McClarin	(CM)	National Gas Transmission
David Addison	(DA)	CDSP (Xoserve)
David Mitchell	(DMi)	SGN
Edward Allard	(EA)	Cadent
Ellie Rogers	(ER)	CDSP (Xoserve)
Fiona Cottam	(FC)	CDSP
Gavin Williams	(GW)	National Gas Transmission
James Lomax	(JLo)	Cornwall Insight
Jenny Rawlinson	(JR)	BU-UK
Joel Martin	(JM)	SGN
Josie Lewis	(JLe)	CDSP (Xoserve)
Kathryn Adeseye	(KA)	CDSP (Xoserve)
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Malcolm Montgomery	(MM)	National Gas Transmission
Mark Jones	(MJ)	SSE Energy Supply
Nick King	(NK)	CNG Services
Slama Akhtar	(SA)	Northern Gas Networks
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities

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/Dist/261023>

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed everyone to the meeting and advised that Workgroups 0850 and 0851R have both been deferred to the November 2023 meeting at the Proposer's request.

1.1. Approval of Minutes (28 September 2023)

The minutes from 28 September 2023 were approved.

1.2 Approval of late papers

RH apologised advising that there was some confusion from the Joint Office regarding the papers for the 0842 Workgroup which led to them being published late.

1.3. Review Outstanding Actions

No Actions had been carried forward from the September meeting.

1.4. Modifications with Ofgem

The Chair advised that the report is available on the Ofgem website at <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable> dated 13 October 2023 and shows the expected decision dates for all Modifications currently awaiting Ofgem decision.

1.5. Pre-Modification discussions

1.5.1. UNC Update to Replace Facsimile

Gavin Williams (GW) provided a presentation on the proposed Modification to replace facsimile. The presentation is published and can be viewed here: www.gasgovernance.co.uk/Dist/261023.

The presentation provides a view of the reference to facsimile/fax within the documents listed in the following table:

Document	Total
General	51
Offtake Arrangements Document	2
Transportation Principal Document	25
European Interconnection Document	0
Independent Gas Transporter Arrangements Document	1
Energy Balancing Credit Rules	1

Why Change

The main driver for the change is that the Public Switch Telephone Network (PTSN) and Integrated Services Digital Network (ISDN) (the old analogue fax machines) will be switched off nationally in December 2025 and new systems will no longer be compatible.

Solution

GW explained that it will be proposed that all references to facsimile will be replaced with email, thus providing compliance with the UNC, requiring two methods of communication, telephone, and email.

GW advised that it is important to note that each party would preferably need a .box email account to enable multiple recipients of such email communication and an acknowledgement/read receipt can also be requested, however, telephone will remain the principal mode of communication.

When Steve Mulinganie (SM) asked if the definition of an email .box account will be dictated to the Industry as part of the solution to the Modification or not, GW clarified that responsibility is on the recipient.

GW concluded his presentation by confirming this presentation will also be given to the Transmission Workgroup meeting on Thursday 02 November 2023 and then to the November 2023 Modification Panel meeting.

Questions

When Charlotte Gilbert (CG) asked what the outcome of Modification 0590 was, it was confirmed that this Modification was withdrawn, and Workgroup was asked to note that circumstances were very different back in 2017 to what they are now. Dave Addison (DA) provided some clarity and advised that Workgroup questioned how you know if an email has been received, with a fax the sender gets a delivery notification.

DA suggested that there could be some detailed conversations during Workgroup meetings and the Chair proposed that 3 Workgroup meetings as a minimum would be necessary and that this will likely be a standalone Workgroup.

SM suggested that a legal interpretation of the solution will be needed to clarify that this method is the most appropriate one and that it (email) is and needs to be legally robust. When Malcolm Montgomery (MM) sought clarification, SM advised this would relate to the delivery of an email

discussion that is needed and was part of Workgroup discussions for Modification 0590, he added that because Lawyers go back to contracts when there is a problem, if an email was used as the means of communication, a User can say they did not receive an email.

SM also highlighted that the presentation suggests that EBCC members have approved the change going forward, however, as a member of EBCC, he does not recall approval for the proposed change to the EBC Rules.

Ellie Rogers (ER) confirmed that a Rough Order of Magnitude (ROM) assessment has not been undertaken as yet.

SM suggested, because of the difference in understanding of the comments presented on Slide 6 (Engagement), between Workgroup attendees and National Gas Transmission, that this slide be removed from the presentation pack.

Jenny Rawlinson (JR) asked if there is any understanding of what the impact is if anyone still (currently) utilises fax. GW advised that discussions so far suggest that fax does not appear to be used principally, and email seems to be superseding it. He added that many of the references to fax in the Code are between Distribution Networks and Shippers.

The Workgroup noted that a foolproof method of delivery is required, which has to be something other than fax, but whatever is chosen needs to be equally as robust as fax.

When MM asked if this standalone Modification workgroup could be added to the recently formed 0860 Workgroup, RH advised that there are already thoughts for a related Modification, being raised by Phil Lucas, National Gas Transmission, which will be added to the same day as the 0860 Workgroup.

SM suggested that Workgroup discussions should include whether this will be a transitional implementation or not.

There was discussion around how Network Exit and Entry Agreements will be updated, these are bi-lateral agreements referenced in the Code and all contain references to fax. Joel Martin (JM) asked if updating the bilateral agreements could be included in the solution.

It was noted that the Panel minutes for Modification 0590 had an expression that the scope of changing to email rather than fax may have significant safety concerns, RH asked for this to be addressed in the Modification.

Suggested Panel Questions:

- Transitional implementation or not
- How can the safety concerns of using email be mitigated

This concluded the pre-Modification discussion.

1.5.2.

SM provided a verbal update for new [Modification 0862 – Amendments to the current Unidentified Gas Reconciliation Period arrangements](#) and advised that it proposes amendments to the current Unidentified Gas Reconciliation Period arrangements to reconcile UIG to the same months that the energy originated from (instead of smear over the previous 12 months).

SM added that UIG is currently smeared over the last 12 months and that this approach would apply holistically.

ER requested a key Workgroup discussion point, if this approach were to be implemented, how would we transition?

Louise Hellyer (LH) suggested a full cost assessment is needed.

Suggested Panel Question

- WG to consider an implementation approach for this change including what transitional arrangements are required?

- On UIG, understanding the full end-to-end impact and costs? Will there be impacts resulting in additional costs for the network to be passed to shipper/suppliers to accommodate this? How will it flow through?

This Modification will be presented to the UNC Modification Panel on 16 November 2023.

1.5.3.

SM provided a verbal update for new [Modification 0863: Erroneous Transfers Exceptions Process](#) and advised this Modification aims to provide a remedy for Erroneous Transfers that have failed to be progressed (exceptions) within a reasonable period to be proactively managed by the Central Data Services Provider (CDSP)

This Modification will be presented to the UNC Modification Panel on 16 November 2023.

2. CSS REC Consequential Changes Update

David Addison (DA) provided a REC update which included the following:

- CSS P1 Incident
 - A link to the Retail Energy Code DCC Major Incident Summary Report was provided: <https://recportal.co.uk>
- REC CR – Incumbent Deactivation
 - When SM asked if the new supplier is not inhibited, avoids any consequence and that a spurious deactivation by the old Supplier is the least likely scenario. DA agreed and advised that is consistent with the REC.
- REC CR – CDSP Registration Actions

Please see the published material here for further details: www.gasgovernance.co.uk/Dist/261023

3. Workgroups

3.1. 0842 –Gas Entry onto the Total system via an Independent Gas Transporter

(Report to Panel 14 December 2023)

<https://www.gasgovernance.co.uk/0842>

3.2. 0850 - Amendments to Allocation of Unidentified Gas Expert (AUGE) arrangements to introduce a new Residual Upstream Contributor – Deferred to November 2023

(Report to Panel 18 July 2024)

<https://www.gasgovernance.co.uk/0850>

3.3. 0851R - Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window – Deferred to November 2023

(Report to Panel 18 July 2024)

<https://www.gasgovernance.co.uk/0851>

4. Distribution Workgroup Change Horizon

Please note that the specifics of this report can be reviewed at <http://www.gasgovernance.co.uk/Dist/261023>; as such, they are not replicated here.

5. Product Class Capacity

Ellie Rogers (ER) noted that she is currently reaching out to some parties that showed an interest in sponsoring a Modification, a further update will be provided at the November 2023 Workgroup.

6. Issues

RH confirmed there are no known issues to consider.

7. Any Other Business

There was no other business.

8. Diary Planning

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

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 23 November 2023	5 pm 15 November 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Monday 10:00 11 December 2023	5 pm 01 December 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup

Distribution Workgroup Action Table

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update

**UNC Workgroup 0842 Minutes
Gas Entry onto the Total system via an Independent Gas
Transporter
Thursday 26 October 2023
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Charlotte Gilbert	(CG)	BU-UK
Conor McClarin	(CM)	National Gas Transmission
David Addison	(DA)	CDSP (Xoserve)
David Mitchell	(DMi)	SGN
Edward Allard	(EA)	Cadent
Ellie Rogers	(ER)	CDSP (Xoserve)
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Mark Jones	(MJ)	SSE Energy Supply
Nick King	(NK)	CNG Services
Slama Akhtar	(SA)	Northern Gas Networks
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities

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 (28 July 2023)

The minutes from the meetings held on 28 July 2023 were reviewed.

1.2. Approval of Late Papers

RH apologised advising that there was some confusion from the Joint Office regarding the papers for the 0842 Workgroup which led to them being published late.

1.3. Review of Outstanding Actions

Action 0501: Proposer (DMi/JM) to consider adding a flow diagram to illustrate the flow of responsibility for each party and UNC obligations.

Update: This is included in the update from the Proposer. **Closed**

Action 0601: Proposer (DMi/JM) to update/amend Modification and provide Legal Text for next Workgroup Meeting (28 July 2023) to finalise Workgroup Report for August Panel (17 August 2023)

Update: No further update is required. **Closed**

Action 0602: Xoserve (ER) to check ROM requirement and/or to provide CDSP Statement for discussion.

Update: Ellie Rogers (ER) confirmed that the paper submitted for the July 2023 Workgroup meeting still stands. **Closed**

2.0 Review of Amended Modification

The Proposer David Mitchell (DMi) provided an overview of draft amendments for the Modification. Further amendments were discussed and captured as part of the Workgroup discussion; the draft amendments can be viewed in the published Proposed Modification 0842 updates document here: www.gasgovernance.co.uk/0842/261023.

How:

When Richard Pomroy (RP) asked about potential impacts on Shrinkage, Joel Martin (JM) explained that DNOs have an existing obligation in the Offtake Arrangements Document (OAD) to minimise Shrinkage, this allows the CV of the gas to be at such a level that will minimise shrinkage.

Malcolm Montgomery (MM) suggested that more clarification could be included in the title or the purpose of the Modification by adding LDZ so that it is clear that the scope [excludes the NTS?]. JM agreed to update the purpose section.

Solution:

BR1: SM asked, what happens if an incident occurs on the IGT pipeline; JM advised there are existing IGT shrinkage arrangements in IGTA which would prompt an investigation.

BR1: RP asked how an IGT SEP on an IGT network can be defined in the UNC; JM advised this should be defined in the IGT UNC and then referred to.

Nick King (NK) advised that IGT UNC Modification IGT172 has been raised which has the provisions for this scenario.

Both IGT and UNC modifications should be assessed by Ofgem at the same time.

The commonality of the naming convention will be applied to the Modification and any other associated material.

When RP asked if an ordinary System Entry Point can be applied to a factory on an LDZ system, and agreed to send in some wording for inclusion in the Workgroup Report

Workgroup Report development:

During an onscreen review of the (draft) Workgroup Report (dated 28 July 2023), RHa undertook changes to the document in line with Workgroup discussions.

Initial Representation:

RP confirmed the Initial Representation from Wales & West Utilities is still valid.

3.0 Review of Legal Text

DMi provided a detailed walkthrough of the proposed Legal Text changes which were shown in mark-up. The key changes were to the following sections of the UNC Transportation Principal Document:

Section I – Entry Requirements

3.12 IGT LDZ System Entry Points

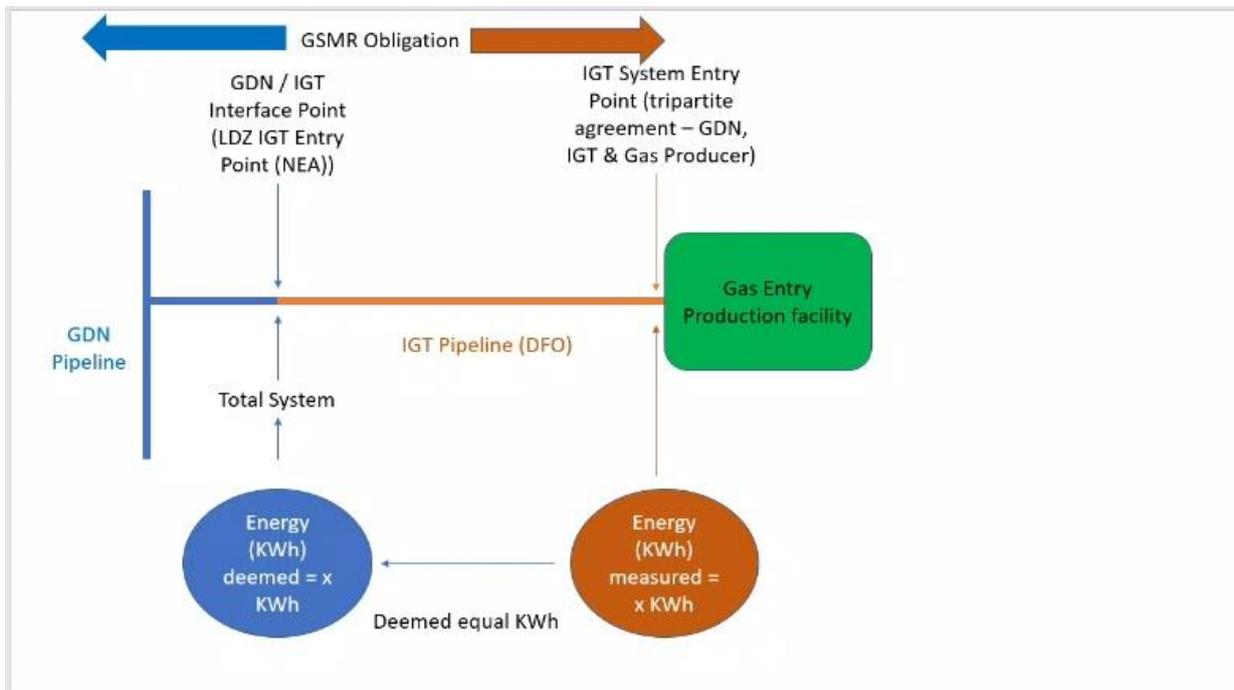
Through the Workgroup discussion, several clarifications and amendments were identified which DMI agreed to provide.

3.12.1 The Workgroup questioned if “IGT” LDZ System Entry Point is a new defined term which DMI agreed to confirm.

Nick King (NK) advised that the definition of LDZ System Entry Point already exists, the addition is IGT rather than having the full definition. This is specific to Distribution Networks where there are a lot of complicated provisions, all of which do not apply to an LDZ System Entry Point.

3.12.2

Joel Martin (JM) provided a view of a diagram which represents what the Legal Text is trying to facilitate:



When RH asked, JM agreed to align the diagram wording to match the definitions in the Legal Text.

ER sought clarification on 3.12.5 point (ii) which relates to Business Rule 9 and asked if this links into the statement on CDSP, JM confirmed this clause is intended to be everything needed for CDSP.

4.0 Development of Workgroup Report

During an onscreen review of the draft Workgroup Report, RH undertook changes to the document in line with Workgroup discussions held and will be further reviewed at the next meeting in November 2023.

5.0 Next Steps

RHa confirmed the next steps are:

- Proposer to provide the relevant amendments to the Modification as discussed.
- Proposer to provide the relevant clarifications and updates to the Legal Text as discussed.
- Completion of the Workgroup Report
- Report to December 2023 Panel

6.0 Any Other Business

No other business was raised.

7.0 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	Workgroup Programme
10:00 Thursday 23 November 2023	5 pm 15 November 2023	Microsoft Teams	<ul style="list-style-type: none"> Consider any Initial Representations received and Panel Questions. Review Business Rules.

0842 Workgroup Action Table

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0501	23/05/23	2.0	Proposer (DM/JM) to consider adding a flow diagram to illustrate the flow of responsibility for each party and UNC obligations.	July 2023	Proposer (DM/JM)	Closed
0601	28/06/23	2.0	Proposer (DM/JM) to update/amend Modification and provide Legal Text for next Workgroup Meeting (28 July 2023) to finalise Workgroup Report for August Panel (17 August 2023)	June 2023	Proposer (DM/JM)	Closed
0602	28/06/23	2.0	Xoserve (ER) to check ROM requirement and/or to provide CDSP Statement for discussion.	July 2023	Xoserve (ER)	Closed