

UNC Workgroup 0862 Minutes
Amendments to the current Unidentified Gas Reconciliation Period
arrangements
Thursday 23 November 2023
via Microsoft Teams

Attendees

Rebecca Hailes (Chair)	(RHa)	Joint Office
Ben Mulcahy (Secretary)	(BM)	Joint Office
Steve Mulinganie (Proposer)	(DMo)	SEFE Energy
Andy Clasper	(AC)	Cadent
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DMi)	SGN
Edward Allard	(EA)	Cadent
Ellie Rogers	(ER)	CDSP (Xoserve)
Fiona Cottam	(FC)	CDSP (Xoserve)
James Lomax	(JL)	Cornwall Insight
Josie Lewis	(JLe)	CDSP (Xoserve)
Kathryn Adeseye	(KA)	CDSP (Xoserve)
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Lee Greenwood	(LG)	British Gas
Marina Papatoma	(MP)	Wales & West Utilities
Mark Jones	(MJ)	SSE Energy Supply
Paul O'Toole	(PO)	Northern Gas Networks
Slama Akhtar	(SA)	Northern Gas Networks

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

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/0862/231123>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 May 2024

1.0 Outline of Request

Rebecca Hailes (RHa) invited the Proposer to explain the intent of the Modification. Steve Mulinganie (SM) stated it was simple in concept and just had the one Business Rule (BR) to correct the UIG Reconciliation Period. He believes this was a legacy of the arrangements from Nexus with the complexity at the time likely to be one of the reasons why this route was taken, which smears the UIG charge over the last 12 months.

The Modification proposes that the UIG be applied to the same months that the energy originated from, SM explained that the execution was likely to be complex in the details.

Kathryn Adeseye (KA) asked if it was fair to assume that the monthly reconciliation would be across the whole month and not just the week/day of the event. SM confirmed it was but added that if the current solution proves to add complexity, then he was open to better ways to address the issue, as he wanted it to be easy to achieve.

SM added that he had invited CDSP to add commentary on the BR1 and the appending notes in the Solution section were a result of this. He also acknowledged that questions had been raised from Pre-Panel discussion regarding transition requirements and UIG reconciliation.

Ellie Rogers (ER) commented that at some point a discussion of the implementation type would be needed, would it be a 'big bang' or more of a dual-running implementation. She advised that the CDSP was looking at this and did not yet have an answer, adding that previously a 12-month parallel approach was taken in UIG Process change, but it was not yet clear if that is suitable in this case.

SM agreed that there was logic to having a 12-month process and advised that he was open to that, adding that it led him to think that there was a lot of analysis work to be undertaken by the CDSP for this, for which the next Workgroup in December would be too early to be able to report in and asked if January would also be too early for the CDSP to come back.

ER agreed that the CDSP would consider the likely issues with the central systems and how best to implement such a change, including what the consequence of delivery of this Modification would be and what the best route and delivery would be.

She also confirmed that a December response on this was not possible, suggesting that they instead aimed for January as a firm commitment and would provide what they had at that point.

ACTION 1101 - CDSP (ER) to consider the best delivery path for this Modification and any transitional arrangements likely required.

The Workgroup considered if there would be impacts resulting in additional costs for the DNOs to be passed on to Shippers and suppliers. Fiona Cottam (FC) noted that UIG is an energy-only cost, without Transportation elements and the same amount of UIG would be attributed, so any costs would be just central system expenditure.

SM observed that there appeared to be some consideration of shrinkage commentary in the Modification that related to Modification 0850 – *Amendments to Allocation of Unidentified Gas Expert (AUGE) arrangements to introduce a new Residual Upstream Contributor* which could be removed from the consideration of this Modification.

ER suggested that the CDSP may need to feedback options for the Workgroup to consider, which SM acknowledged, stating that if other Parties did not agree with the Solution landed upon, they could raise an Alternative Modification using the thinking already explored in this Workgroup, though his preference was a consensus-based Solution.

Mark Jones (MJ) asked if the approach was still planned to be on consolidating by market share in regard to the energy allocation within the month. SM advised it was not but if a feasible solution was suggested he'd be happy to consider it.

FC explained that this was throughput and so in using January through to June on a mainly domestic portfolio, a Party's allocation for January will be some ten times as much as for June as opposed to a low flat process load. NDM was putting more energy into allocation already and whilst she was not saying it was built, the CDSP already does this for large LDZ

measurement errors which are applied back over the previous month. She highlighted that whenever there were two lines for EUCs on Party invoices, it is indicative that there has been some form of reconciliation. She continued that the energy is already ‘chunked up’ to apply to calendar months for transportation which may be flat or skewed towards the higher months, whereas currently, a twelfth is split out for each month of the annual total.

SM responded that this meant that there was no need to contemplate any clever weighting for the months as it would effectively be allocated as it was now. He added that as a first Workgroup look at this Modification, he requested that should anyone have any other points or clarification requests to reach out to him in the intervening period.

It was noted that the suggested Panel questions were not specific and were to be removed, whereas those that the Proposer suggested would be kept.

ACTION 0111: JO (RHA) to remove generalised Panel questions in the WGR.

2.0 Next Steps

RHa confirmed the next steps are:

- Consider any industry feedback.
- Review CDSP response to Action 0111 and best reflection in Business Rules development

3.0 Any Other Business

No other business was raised.

4.0 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 Monday 11 December 2023	5 pm 01 December 2023	Microsoft Teams	<ul style="list-style-type: none"> • Consider impacts of Modification • Review Business Rules.

0862 Workgroup Action Table

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0111	23-Nov-23	1	CDSP (ER) to consider the best delivery path for this Modification and any transitional arrangements likely required.	January 2024	CDSP (ER)	Pending

0862 Workgroup Action Table						
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