

**UNC Workgroup 0862
Amendments to the current Unidentified Gas Reconciliation Period
arrangements**

Thursday 22 February 2024

via Microsoft Teams

Attendees		
Dan Simons (Chair)	(DS)	Joint Office
Harmandeep Kaur (Secretary)	(HK)	Joint Office
Steve Mulinganie (Proposer)	(SM)	SEFE Energy Limited
Catriona Ballard	(CB)	Brookgreen Supply
Charlotte Gilbert	(CG)	BU-UK
Dave Addison	(DA)	CDSP
Edward Allard	(EA)	Cadent Gas
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
James Lomax	(JLo)	Cornwall Insight
Josie Lewis	(JL)	CDSP
Kathryn Adeseye	(KA)	CDSP
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Rebecca Hailes	(RH _a)	Joint Office
Sally Hardman	(SH _a)	SGN
Tom Stuart	(TS _u)	Wales & West Utilities
Tracey Saunders	(TS)	NGN

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, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0862/220224>.

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 July 2024.

1. Introduction and Status Review

Dan Simons (DS) welcomed all parties to the meeting.

Steve Mulinganie (SM) provided an overview of Modification 0862, explaining that the Modification proposes amendments to the current Unidentified Gas (UIG) Reconciliation Period arrangements to reconcile UIG to the same months that the energy originated from (instead of smearing over the previous 12 months).

SM advised that the CDSP would be presenting a set of slides, providing an example of the “As-Is” and “To-be” UIG Reconciliation Apportionment process.

Ellie Rogers (ER) requested that the presentation slides be included as an Annex to the Modification, to provide context and to aid understanding. The Workgroup agreed this would be sensible.

1.1 Approval of Minutes (25 January 2024)

The previous minutes were approved.

1.2 Approval of Late Papers

No late papers to approve.

1.3 Review of Outstanding Actions

1102: JO (RHa) to remove generalised Panel questions in the Workgroup Report (WGR).

Update: Ellie Rogers (ER) explained that the Action was likely erroneous as SEFE had previously raised two Modifications at the same time, one of which was later withdrawn. Action 1102 was raised in relation to the Modification that was withdrawn. ER noted that the action could be considered resolved and asked for it to be closed. The Workgroup agreed.

Closed.

2. Amended Modification

No Amendments to the Modification were presented.

3. Review of Processes

Fiona Cottam (FC) presented some worked examples of the “As-Is” and “To-Be” UIG Reconciliation Apportionment process to the Workgroup.

FC began by providing some background to the current process and how it is carried out, noting that under the current business rules, UIG Reconciliation (charge type “UGR”) is shared out in a standard 12-month “pot” in each LDZ.

FC provided an overview of the changes to the process being proposed by Modification 0862, noting that the Modification seeks to move away from the standard 12-month pot for normal UIG reconciliation. Instead, UIG Reconciliation would be apportioned across the same whole months as the meter point reconciliation that caused it, which could be anything from one month to 48 months.

FC then presented a worked example of a fictional reconciliation for a weather-sensitive site for an 18-month period. This example showed how reconciliation processes assign the actual energy in proportion to the original allocation. I.e. proportionally more reconciled energy is associated to winter months than to summer months.

FC then presented a further worked example of a fictitious LDZ with just two customer groups, one with weather sensitive data and the other with weather insensitive data. This example compared how UGR would be shared under the current arrangements, and under the approach proposed by Modification 0862.

The example demonstrated how, under the proposed approach, the UGR would be shared out over 18 months, with monthly UGR amounts varying in line with the original meter point reconciliation.

FC noted that while the examples in the slidepack were fictitious, the Monthly Reconciliation Report which provides Post-Nexus Reconciliation for all class types split by the original billing month can be found on Xoserve’s website ([Unidentified Gas \(UIG\) \(xoserve.com\)](https://www.xoserve.com)).

For more detailed information, please refer to the published slides ([0862 UIG Reconciliation Apportionment Examples \(16 February 2024\)](#)).

SM thanked the CDSP for preparing and presenting the examples, noting that they are very useful in understanding the process. SM suggested that inclusion of an additional, 4-month example could also be useful to highlight the difference between the current and the proposed process. The CDSP agreed and took an action to provide an updated presentation with a new,

4-month example included.

New Action 0201: CDSP (FC/ER) to consider the inclusion of a 4-month fictional UIG Reconciliation example in the Annex Slides.

ER noted that while the Modification is relatively simple in what it is seeking to achieve, the confusing part is likely to be the detail of how the process currently works. The Workgroup agreed and noted that the inclusion of the CDSP slides alongside the Workgroup Report should help to provide further context and aid understanding.

4. Business Rules Development

SM advised that the proposed Business Rules are relatively straightforward and are ready for the development of Legal Text. The Workgroup agreed and the Joint Office took an action to submit a formal Legal Text request to Cadent at the next UNC Panel meeting.

New Action 0202: JO to submit a formal Legal Text request to Cadent at the next UNC Panel.

5. Legal Text Review

Deferred to 20 March 2024.

6. Development of Workgroup Report

Deferred to 20 March 2024.

7. Next Steps

The Workgroup will consider the 4-month example of the process and it will review the Legal Text once this is ready.

8. Any Other Business

No other business was raised.

9. Diary Planning

0862 Meetings are listed at: <https://www.gasgovernance.co.uk/0862>

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

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 28 March 2024	5 pm Wednesday 20 March 2024	Microsoft Teams	<ul style="list-style-type: none"> • Legal Text Review • Development of Workgroup Report • Review of the processes
10:00 Thursday 25 April 2024	5 pm Wednesday 17 April 2024	Microsoft Teams	<ul style="list-style-type: none"> • Completion of Workgroup Report

Workgroup 0862 Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
1102	23/11/2023	1	JO (RHa) to remove generalised Panel questions in the Workgroup Report (WGR).	January 2024	JO (RHa)	Closed
0201	22/2/2024	3	CDSP (FC/ER) to consider the inclusion of a 4-month fictional UIG Reconciliation example in the Annex Slides.	March 2024	CDSP (FC/ER)	New Action
0202	22/2/2024	4	JO to submit a formal Legal Text request to Cadent at the next UNC Panel Meeting on 21 March 2024.	March 2024	JO	New Action