

UNC Workgroup 0710 Agenda
CDSP provision of Class 1 Read Service
Thursday 27 August 2020
Via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Alan Raper	(AR)	Joint Office
Carl Whitehouse	(CW)	Shell
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Jon Dixon	(JD)	Ofgem
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Nigel Bradbury	(NB)	CIA
Oorlagh Chapman	(OC)	Centrica
Paul Youngman	(PY)	Drax
Richard Pomroy	(RP)	Wales & West Utilities
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0710/270820

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 September 2020.

1.0 Introduction

1.1. Approval of Minutes (23 July 2020)

The minutes from 23 July 2020 were agreed.

1.2. Approval of Late Papers

There were no late papers for approval.

1.3. Review of outstanding actions relating to Modification 0710

Action 0401: CDSP (DA/ER) to clarify the new CDSP charging structure with a view to having them made visible as part of the development of this Modification.

Update: Workgroup agreed to include the new CDSP Charging Calculation structure in the Workgroup Report.

Closed

Action 0701: Action 0401 - CDSP (DA/ER) to clarify the new CDSP charging structure with a view to having them made visible as part of the development of this Modification: AR to consider providing a table of current charges to show how the charges are structured across the individual networks.

Update: Due to the disparity in how each DN displays charges it was agreed that a table was not appropriate.

Closed

Action 0702: CDSP (DA) to describe the scenarios when receiving a physical reading that is remarkably different to the reading from DMSP.

Update: This was discussed as part of agenda item 3.0

Closed

Action 0703: RP to bring back a revised version of the Legal Text to the August Workgroup meeting.

Update: This was covered as part of agenda item 3.0.

Closed

2.0 Consideration of Amended Modification

There were no amendments to the Modification for discussion.

3.0 Review of Legal Text

Richard Pomroy (RP) provided a detailed walkthrough of the Legal Text changes which were shown in mark-up. The key changes were to the following sections of the *Transportation Principal Document*:

Section B – System Use and Capacity

- a. Paragraph 8.12.3 (c) was deleted and replaced with new paragraph 8.12.3 (c): “Section M6.6.1;”.

Section G – Supply Points

- b. In paragraph 2.1.3(f) the words “Section M6.7.1” were deleted and replaced with the words “Section M7.2.1”.
- c. Paragraph 2.1.5 replaced with a new paragraph 2.1.5 which is required due to the separation of service provider for datalogged and telemetered sites.
- d. Steve Mulinganie (SM) pointed out an error in relation to the new paragraph 2.1.5 9 (b), Section 7.2.1 should say Section M7.2.1.
- e. Paragraph 2.1.6(c) was deleted and replaced with a new paragraph 2.1.6(c).
- f. Paragraph 2.2.5 was deleted and replaced with a new paragraph 2.2.5.

SM asked what would happen if CDSP did not discharge their obligation and obtain a meter reading and would this mean that Shippers would have to provide the reads? RP indicated that the UNC is drafted on the basis that parties will carry out the functions as set out. SM asked if any kind of safety net is needed. RP suggested that failure to provide the information would be a performance issue and would be considered by the Performance Assurance Committee (PAC) and also DSC Contract Committee.

Paul Youngman (PY) asked about the current requirement on Transporters and whether it would be considered to be a licence breach? RP confirmed that it would be a breach of code and that there is no licence obligation on Transporters to provide Class 1 meter reads on a particular day.

Ellie Rogers (ER) asked if paragraph 2.25 refers explicitly to Class 2 sites moving to Class 1?. RP stated that the UNC is silent on whether a Shipper has to provide the read. He reiterated that the CDSP has the obligation to provide the read which is why the UNC needs to be amended to reflect this.

Following Workgroup discussion paragraph 2.25 was further amended to replace the words “not obtained by the” with “not the responsibility of the”.

- g. RP reported a change to paragraph 3.2.7(a)(i) suggesting deletion of both references to “Section M5.13.18(a)” and replacing them with references to Section M5.13.17(a). He highlighted that this change is not related to Modification 0710 and involves the correction of an error in the cross-reference which has been identified as part of the Legal Text changes for this Modification. He suggested that the change could be made as part of Modification 0710 with agreement from the Workgroup rather than raising a fast-track self-governance Modification to correct this.

Workgroup agreed to this minor change and suggested it is noted in the Workgroup Report.

- h. In Annex G-3, paragraph 1.1.1(i)(iii) was deleted and replaced with a new paragraph 1.1.1(i)(iii).

Section M – Supply point metering

- i. In paragraphs 1.5.2, 2.1.9, 5.11.3, 5.12.1 and 5.12.8 the words “Transporter Daily Read Equipment” were replaced with the words “Daily Read Equipment”.
- j. Paragraph 5.14.1 was deleted and replaced with a new paragraph 5.14.1.

Section S – Invoicing and Payment

- k. Paragraph 2.3 the words “and Section M7” were deleted.

Transition Rules

- l. RP highlighted that in addition to some minor changes, there was one change that was material in relation to paragraph 1.3.7 (g)

Discussion of the Legal Text concluded with RP agreeing to provide updated Legal Text in line with the discussion.

KE reminded Workgroup that this was the last meeting and asked Workgroup participants if they were content to agree the Legal Text changes on the basis of the discussion at the meeting.

The Legal Text changes were approved by Workgroup.

4.0 Completion of Workgroup Report

KE confirmed that the Workgroup Report is due to be presented to the 17 September 2020 Panel meeting. As part of the consideration and completion of the Workgroup Report, the following areas were discussed:

Costs

PY was concerned that the Workgroup Report did not include information on the costs and that the effect on competition or consumer savings had not been demonstrated.

SM suggested that this Modifications impacts the largest industrial customers (approx. 550) and the costs are visible to the market as they are in the charging structures and relate to CDSP administration costs plus a margin for resources.

PY was concerned that the actual costs showing how much has been spent were not transparent.

RP indicated that the broad costs were in the region of £600-£700 in total.

AR agreed to include a figure of £0.5 to £1.0m in the Workgroup Report.

Consumer Impact Assessment

The table was updated to reflect that consumers should not notice any change to the standard of service.

Cross Code Impact

Alan Raper (AR) confirmed that he had held discussions with Anne Jackson at Gemserv and confirmed that currently, an IGT does not have a requirement to provide DM reads in the same way a transporter does under the UNC. For sites that meet the Class 1 (DM) read requirement, reads are supplied by the upstream transporter, through arrangements set out in the Independent Gas Transporter Arrangements Document (IGTAD). He added that if the IGT UNC needed a Modification, but it would be simpler that the UNC Modification as it is a tidy up exercise rather than a shift of responsibilities.

RP added that Brandon Rodrigues, ESP would be introducing a new Modification to propose a small amendment to the IGT UNC.

Kirsty Dudley (KD) asked if the consultation timescales of the UNC and IGRUNC Modifications would be aligned? RP stated that as the proposer he did not want to delay Modification 0710 and the UNC Modification had been shared with IGTs.

KD said that she preferred Modifications with cross code impacts to be consulted together. However, SM did not agree with this view suggesting that the UNC market is significantly bigger, and he did not think the Modification should be delayed either.

Workgroup agreed that the Modification should proceed to consultation.

Governance

AR reminded Workgroup that Panel had asked for a view on the governance of the Modification and previously Workgroup had suggested that the Modification could move to Self-Governance.

Jon Dixon (JD) indicated that he had provided a view on this at previous Workgroup meetings and he did not see any reason to change that view which was based on the fact that the service is not changing substantively; there is no impact on consumers or on the market as a whole and there appears to be no competition issue. Based on this there are no obvious reasons why the Modification should be Authority Direction so he would be comfortable with a proposal to consider Self-Governance.

Consultation Period

AR asked Workgroup to consider whether the standard 15-day consultation period should be used or an extended consultation of 20 business days given implementation of the Modification would be June 2021.

Workgroup agreed that a 20-day consultation should be proposed to Panel.

Rough Order of Magnitude (ROM)

ER suggested that the ROM section is amended to reflect the charging discussion that there will be some operational costs and costs to mobilise and establish the resource to manage the change. This will show the structure of the charging calculation, not actual costs.

5.0 Next Steps

KE confirmed that the Workgroup Report would be presented to the September Panel meeting with a recommendation to proceed to consultation with a 20-day consultation period.

6.0 Any Other Business

None.

7.0 Diary Planning

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

There are no further Workgroup meetings planned as the Workgroup will have been closed.

Action Table (as at 27 August 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	23/04/20		CDSP (DA/ER) to clarify the new CDSP charging structure with a view to having them made visible as part of the development of this Modification.	CDSP (DA/ER)	Closed
0701	23/07/20	1.1	<i>Action 0401 – CDSP (DA/ER) to clarify the new CDSP charging structure with a view to having them made visible as part of the development of this Modification:</i> AR to consider providing a table of current charges to show how the charges are structured across the individual networks.	Joint Office (AR)	Closed
0702	23/07/20	3.0	CDSP (DA) to describe the scenarios when receiving a physical reading that is remarkably different to the reading from DMSP.	CDSP (DA)	Closed
0703	23/07/20	3.0	RP to bring back a revised version of the Legal Text to the August Workgroup meeting	Proposer (RP)	Closed