

## UNC Workgroup 0831/0831A Minutes

### Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method

### Allocation of LDZ UIG to Shippers (Class 3 and 4) Based on a Straight Throughput Method

Wednesday 04 May 2023

via Microsoft Teams

Attendees		
Bob Fletcher (Chair)	(BF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Aleksandra Cebo	(ACe)	EDF
Ben Mulcahy	(BM)	Joint Office
Charlotte Gilbert	(CG)	BU-UK
Clare Manning	(CM)	E.ON Next
Ellie Rogers	(ER)	CDSP
Dan Fittock	(DF)	Corona Energy
Dan Stenson	(DS)	Brook Green Trading
Dan Wilkinson	(DW)	EDF Energy
David Mitchell	(DMi)	SGN
Gurvinder Dosanjh	(GD)	Cadent
Fiona Cottam	(FC)	CDSP
Harry Hailwood	(HH)	Brook Green Trading
James Lomax	(JL)	Cornwall Insight
Kevin Clark	(KC)	Utilita
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Paul O'Toole	(PO)	Northern Gas Networks
Tom Stuart	(TSt)	Wales & West Utilities

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0831>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 September 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/0831/030523>

#### 1. Introduction and Status Review

Bob Fletcher (BF) welcomed everyone to the meeting.

### **1.1. Approval of Minutes (23 March 2023)**

The minutes from the previous Workgroup were approved.

### **1.2. Approval of late papers**

No late papers were recorded.

### **1.3. Review Outstanding Actions**

No actions are outstanding.

## **2. Amended Modification 0831A**

The Proposer for Modification 0831A, Dan Stenson (DS) , was invited to update Workgroup on some suggested amendments he is considering making to his Modification.

The main change will be the removal of Product Class 2 temporarily until the issue with Class 2 is resolved. DS noted there are process issues with Profile Class 2 Meter Readings that sit outside of this Modification.

### **Product Class 2 discussion:**

DS noted that he wants to ensure that the Class 2 issue is handled correctly and asked Workgroup for comments on how best to proceed.

ER advised there is a System limit of 50,000 for Class 2 Meter Reading submissions, due to system processing restrictions, it is not anticipating volumes exceeding 50,000 and may require System changes to increase the volume based on a phased approach.

Workgroup offered the following thoughts:

- Conclude Modifications 0831/A completely and then raise a separate Modification to deal with Product Class 2 system restrictions.
- ER asked if this could be a Review Group or if DS would raise a Modification straightaway. DS noted it feels more like a Review Group would be raised to get an idea of what the Industry want.

BF suggested .to raise an Issue for Distribution Workgroup to consider system restrictions for Product Class 2 meter read submissions. It was recommended that DS creates a Strawman of what he thinks the Product Class 2 process should be amended too and if there is industry support, prior to raising a Modification.

## **3. Amended Modification 0831**

The Proposer for Modification 0831, Mark Jones (MJ), was invited to explain the suggested amendments to his Modification.

### **Amendment to Business Rules**

MJ explained the removal of Business Rule 3 which established a rule for the UNC Committee decision making on the Allocation of Unidentified Gas (AUG) process for the current AUG year;

An amendment to simplify Business Rule 2 is suggested to identify all EUC bands have a factor of 1.

The change-marked draft Modification is published here: [www.gasgovernance.co.uk/0831/030523](http://www.gasgovernance.co.uk/0831/030523).

Ellie Rogers (ER) noted that the obligation in UNC TPD E – Daily Quantities, Imbalances and Reconciliation, which refers to the CDSP appointing the AUG Expert (AUGE) would need to be removed. Feedback from the Workgroup is that this does not need to be in Code as this is contractual.

ER also confirmed that the CDSP have got logical break points in the contract with the AUGÉ, the first of which is the end of March each year, at this point, the CDSP can give instruction to the AUGÉ to cease work on the Statement for the following year.

ER noted that the contract allows break points due to the implementation of Modifications that impact the AUG process as the year progresses. However, this will impact first year benefits as the AUGÉ will be able to charge for costs incurred such e.g. establishing a team or analysis undertaken.

MJ confirmed he will update the Modification and submit it for formal amendment.

#### **Rough Order of Magnitude (ROM)**

ER provided a detailed walkthrough of the ROM and noted it includes the cost-saving element of removal of the AUG process. The CDSP is not expecting any additional costs for making the amendments to the AUG Table in the central systems.

ER confirmed that a separate ROM will be required for Modification 0831A as testing would need to be undertaken to ensure a standard set of factors does not impact the central systems. The cost-saving element will be the same as in the ROM for Modification 0831.

It was suggested a combined ROM is provided but making it clear the differential between the two Modifications.

#### **4. Issues and Questions from Panel**

The following Panel Questions will be considered at the April 2023 Workgroup:

- Consider AUGÉ contractual interactions
- Consider effects of market flux (parties exiting etc.) and any need for reconciliation
- Consider the effect on IGT UNC of the proposed Legal Text drafting
- Consider any impact/interaction on Licences
- Consider whether this Modification would reduce the amount of information available from AUGÉ which currently provides the industry with an opportunity to drive actions to reduce UIG

##### **Panel Questions 0831A**

- Consider the inclusion/treatment of Product Class 3 daily read sites.
- Consider the impact of excluding daily metered sites from UIG.

BF noted that the Proposer of Modification 0831A has submitted his response to the Panel Questions and invited DS to update Workgroup. The response to the questions can be found published here: [www.gasgovernance.co.uk/0831/030523](http://www.gasgovernance.co.uk/0831/030523).

There were no Workgroup comments.

#### **5. Legal Text consideration**

It was confirmed that once the amendments to Modification 0831 have been processed, the UNC Modification Panel can request Legal Text.

There is still some work to do on Modification 0831A and the Modification is not quite stable enough for a request for Legal Text.

#### **6. Development of Workgroup Report**

Development of the Workgroup Report was deferred pending the submission of amendments to Modifications 0831/A.

## 7. Next Steps

BF confirmed the following:

- Modification 0831 Proposer to submit an amended Modification (which will be v3.0)
- Modification 0831A Proposer to submit an amended Modification (which will be v2.0)
- Consider an update on the combined Rough Order of Magnitude
- Consider update on Legal Text
- Develop the Workgroup Report 0831/A (combined report).

## 8. Any Other Business

None.

## 9. Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://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 25 May 2023	5 pm 17 May 2023	Microsoft Teams	<ul style="list-style-type: none"> <li>• Consider Amended Modification 0831</li> <li>• Consider Amended Modification 0831A</li> <li>• Consider an Update on the combined Rough Order of Magnitude</li> <li>• Consider Update on Legal Text</li> <li>• Develop the Workgroup Report 0831/A (combined report)</li> </ul>

### Action Table (as of 03 May 2023)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No outstanding actions					