

UNC Workgroup 0868
Amendments to the current Unidentified Gas Reconciliation Period
Arrangements
Thursday 23 May 2024
via Microsoft Teams

Attendees		
Dan Simons (Chair)	(DS)	Joint Office
Nikita Bagga (Secretary)	(NB)	Joint Office
Andy Clasper	(AC)	Cadent Gas
Anne Jackson	(AJ)	Gemserv
Catriona Ballard	(CB)	Brookgreen Supply
Charlotte Gilbert	(CG)	BU-UK
Conor McClarin	(CMc)	National Gas Transmission
Dave Addison	(DA)	CDSP
David Mitchell	(DMi)	Southern Gas Networks
David Morley	(DMo)	Ovo Energy
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
Kevin Clark	(KC)	Utilita Energy
Louise Hellyer	(LH)	Total Energies
Mark Jones	(MJ)	SSE
Martin Attwood	(MA)	CDSP
Neil Cole	(NC)	CDSP
Oorlagh Chapman	(OC)	Centrica
Rebecca Hailes	(RHa)	Joint Office
Steve Mulinganie	(SM)	SEFE Energy Limited
Susan Helder	(SH)	Northern Gas Networks
Tom Stuart	(TSu)	Wales & West Utilities

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 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 papers are available at: <https://www.gasgovernance.co.uk/Dist/250424>.

1. Introduction and Status Review

Rebecca Hailes (RHa) welcomed all parties to the meeting. RHa advised that this Workgroup was previously a stand-alone meeting, however it was discussed and agreed that it would be more appropriate for this Workgroup to be considered as part of the Distribution Workgroup meetings to provide better exposure.

1.1 Approval of Minutes (01 May 2024)

The previous minutes were approved.

1.2 Approval of Late Papers

No late papers to approve.

1.3 Review of Outstanding Actions

0501: Joint Office (RHa) to integrate this Workgroup (Modification 0868) into the Distribution Workgroup

Update: As this Workgroup has now been integrated back into the Distribution Workgroup meeting, this action can be closed.

Closed.

0502: SEFE Energy UK (SM) to amend the title of the Modification, introduce a colour scheme to differentiate between the legacy timetable and the proposed timetable and amend the spreadsheet to allow for further service lines to be added. SM to send the spreadsheet to the Joint Office for circulation to allow others to edit.

Update: Please see the discussion of the Amended Modification in item 2. It was therefore agreed that this item is to be closed.

Closed.

0503: SEFE Energy UK (SM) to amend the Modification to reference the Ofgem decision on Modification 0831.

Update: Steve Mulinganie (SM) provided an update to the Workgroup advising that this amendment had been included. It was therefore agreed to close this action.

Closed.

0504: Workgroup (All) to consider the areas for further discussion, to be discussed at the next Distribution Workgroup Meeting.

Update: Please see the discussion of the Amended Modification at item 2. It was therefore agreed that this item is to be closed.

Closed.

2. Amended Modification

SM provided an overview of the Amended Modification to the Workgroup.

Further to the last meeting, SM advised that the addition of the word “scope” had now been included within the Modification title. There has also been the addition of extra text in relation to the Summary section to provide further clarity. Further detail has also been added to the Solution section, along with minor changes to Appendix 1.

Andy Clasper (AC) advised of the intention to make changes to the related framework document, this is included in Note 2 of Business Rule 3. RHa advised of the importance of including this to evidence the amendments of important documents. SM suggested including this in the text preceding the Business Rules, to provide context. AC agreed with this proposal.

Ellie Rogers (ER) advised that it was her understanding that Business Rule 3 was in relation to creating an alternative Committee to the current AUG sub-committee, which has more powers, similar to the Performance Assurance Committee (PAC). Workgroup participants queried whether this would need to be included as a separate Business Rule.

The Workgroup discussed the PAC and where further information can be found relating to their roles to apply to the creation of the new AUG sub-committee. The Workgroup discussed checking the Code to see if there is currently wording relating to PAC that can be used in the Business Rules. RHa advised that the AUG Framework may require an additional section relating to the set-up of the new sub-committee. ER advised that the Code may contain high-level details pertaining to PAC’s functions and voting arrangements.

The Workgroup conducted a review of the relevant sections of 22 TPD Section V. SM advised that the relevant section would need to be mirrored only, for the UIG sub-committee. Ed Allard (EA) advised that the correct level of scrutiny will need to be applied to the PAC equivalent in the Code to ensure that there is no subjectivity when drafting the Legal Text. SM added that the approach of 'lifting and shifting' of text should be applied to avoid ambiguity, the relevant text can be obtained from the UNC when drafting the Legal Text.

ER queried the structure of the new AUG sub-committee, asking if the structure will absorb the current AUG committee. SM confirmed it would, adding that the same people will be involved in both. Other than stakeholder engagement, it can all be managed through the same committee. ER stated that it does not make sense to have 2 separate sub-committees as it could cause confusion.

The Workgroup discussed the scope of the sub-committee and whether the meetings will be open or closed. SM discussed the concept of having the meetings open unless otherwise specified.

The Workgroup then discussed the scope of the voting arrangements. SM and RHa discussed the option of a simple majority being an appropriate consideration.

RHa presented the table which was discussed in the previous meeting which SM advised had been updated and amended following the discussions. SM discussed the 3 activities of UIG Reduction, Discovery, and Market Engagement conceptually and how they would work. SM further added that presently, there do not appear to be any critical tasks around the table however there might be some multi-year tasks that could extend beyond one iteration of the table, they may feed in but are not fundamentally linked.

RHa provided an overview of the updated presentation slides further to the last meeting with SM highlighting where the updates had been made, including the procurement activity and the mobilisation.

SM drew attention to the period where there is no AUG due to the procurement exercise, a procurement mobilisation period has now been included. A final table has been included to demonstrate the AUG table being carried forward. When discussing the AUG table in subsequent years additional text has been provided to clarify what is being carried forward. As per Louise Hellyer's (LH) suggestion, the final methodology has now been included in yellow, to provide an early view and demonstrate what can be done in a year.

RHa queried what the time frame will be for procurement. SM advised that this was one of the points considered and whether procurement should be 2 cycles or 3 cycles which is essentially 9 years. The Workgroup will need to consider what the optimal procurement cycle is and discuss what the duration of the arrangement is going to be. Fiona Cottam (FC) advised that the AUG Framework has never been specific on contract terms and in the past, 3-year contracts have been provided to enhance competition, provide a guarantee for 3 years and allow for the spread of costs. FC further added that Workgroup will need to be mindful of timings to prevent the existence of 2 AUGs working at the same time due to the potentially conflicting methodologies and outcomes.

The Workgroup discussed the funding position with SM stating that funding requests could be done at the same time. It was noted that the potential failure of the proposal is part of the risk to prevent any purposeless proposals from being put forward.

New Action 0301: SEFE Energy Limited (SM) to consider the role and set up of the new AUG sub-committee.

New Action 0302: SEFE Energy Limited (SM) to consider how Business Rule 3 can be increased.

3. AUG Framework Overview

See the discussions at point 2 above.

4. Ongoing consideration of 3-year Benefit Panel Question

RHa advised that it is an ongoing consideration to look at the Panel questions. The questions appear to be similar in nature to those of Modification 0873 so RHa queried whether some of the material for that Modification could be recycled. ER advised that Modification 0873 was tailored to a particular scenario.

New Action 0303: SEFE Energy Limited and CDSP (SM and ER) to provide an answer to the 3-year benefit Panel question for further discussion at the next meeting.

SM advised that discussions are ongoing with the current AUG sub-committee, however, the Workgroup will need to be sensitive to the procurement exercise.

5. Rough Order of Magnitude (ROM)

The Rough Order of Magnitude was not discussed during this meeting. This item was deferred until 27 June 2024.

6. Development of Workgroup Report

The Workgroup Report was not discussed during this meeting. This item was deferred until 27 June 2024.

7. Next Steps

None.

8. Any Other Business

None.

9. Diary Planning

0868 Meetings are listed at: <https://www.gasgovernance.co.uk/0868/230524>

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 27 June 2024	5pm Wednesday 18 June 2024	Microsoft Teams	• Completion of Workgroup Report

Workgroup 0868 Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0501	01/05/24	3.0	Joint Office (RHa) to integrate this Workgroup (Modification 0868) into the Distribution Workgroup.	May 2024	Joint Office (RHa)	Closed

Workgroup 0868 Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0502	01/05/24	3.0	SEFE Energy UK (SM) to amend the title of the Modification, introduce a colour scheme to differentiate between the legacy timetable and the proposed timetable and amend the spreadsheet to allow for further service lines to be added. SM to send the spreadsheet to the Joint Office for circulation to allow others to edit.	May 2024	SEFE Energy UK (SM)	Closed
0503	01/05/24	3.0	SEFE Energy UK (SM) to amend the Modification to reference the Ofgem decision on Modification 0831.	May 2024	SEFE Energy UK (SM)	Closed
0504	01/05/24	7.0	Workgroup (All) to consider the areas for further discussion, to be discussed at the next Distribution Workgroup Meeting.	May 2024	Workgroup (All)	Closed
0301	28/05/24	2.0	SEFE Energy Limited (SM) to consider the role and set up of the new AUG sub-committee.	May 2024	SEFE Energy Limited (SM)	Pending
0302	28/05/24	2.0	SEFE Energy Limited (SM) to consider how Business Rule 3 can be increased.	May 2024	SEFE Energy Limited (SM)	Pending
0303	28/05/24	4.0	SEFE Energy Limited and CDSP (SM and ER) to provide an answer to the 3-year benefit Panel question for further discussion at the next meeting	May 2024	SEFE Energy Limited and CDSP (SM and ER)	Pending