

**Workgroup 0876S Minutes**  
**Updates to the Annual Quantity (AQ) amendment process**  
**Thursday 23 May 2024**  
**via Microsoft Teams**

<b>Attendees</b>		
Dan Simons (Chair)	(DS)	Joint Office
Nikita Bagga (Secretary)	(NB)	Joint Office
Andy Clasper	(AC)	Cadent Gas
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
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)	Total Energies
Mark Jones	(MJ)	SSE
Martin Attwood	(MA)	CDSP
Oorlagh Chapman	(OC)	Centrica
Rebecca Hailes	(RHa)	Joint Office
Steve Mulinganie	(SM)	SEFE Energy Limited
Susan Helders	(SH)	Northern Gas Networks
<p><i>This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.</i></p> <p><i>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: <a href="https://www.gasgovernance.co.uk/Dist/230524">https://www.gasgovernance.co.uk/Dist/230524</a>.</i></p>		

**1. Outline of Modification**

Josie Lewis (JL) provided an overview of the Modification.

JL advised that the word “further” had been removed from the Modification title as it was deemed irrelevant.

The purpose of this Modification is to make updates to the AQ amendment process within TPD G 2.3. Specifically adding clarity around the use of “eligible causes” G2.3.21 (b) (change in Consumer Plant), as well as ensuring a process for managing instances of misuse across all “eligible causes” where identified.

The proposal is for this Modification to be self-governance and it is unlikely that a separate IGT Modification will be required as the iGT UNC points to the UNC for this part of the code. To confirm, the AQ amendment process currently applies to both DNO and IGT sites alike. This means the Shippers can currently utilise the current “eligible causes” for DNO and IGT sites. Based on the above, although it is not believed that the IGT UNC requires updating as a result of this Modification, the updates made to the AQ amendments process will apply to IGT sites as well as DNO sites.

#### Business Rule 1

The CDSP are looking to define the use of Reason Code 2 to provide clarity on the definition of the term ‘Consumer’s Plant’ and the use of ‘eligible cause’ to be utilised where there has been a physical change to the equipment to run/operate a business.

Ellie Rogers (ER) highlighted that one of the questions from Panel was in relation to Governance Allocation, whether there is a requirement on Shipper Members and whether there is evidence to support the proposal of self-governance.

The AQ process for Shipper Members remains the same however the validations conducted by CDSP would be more advanced. An audit trail would therefore be required for business purposes.

JL advised of the proposed addition of a few “For the avoidance of doubts” for clarity purposes on where Business Rule 1 would apply. Business Rule 1 is only intended to apply to Reason Code 2, it is not intended to apply to all Reason Codes.

#### Business Rule 2

This Business Rule intends to extend the UNC Clause TPD G 2.3.31 to enable it to be used for all ‘eligible causes’ so, in a situation where an “eligible cause” has been submitted, if it is subsequently deemed to have not been submitted in good faith and considered misuse of the “eligible cause”, it shall be deemed to have not applied.

ER highlighted that currently, CDSP only have the ability to reinstate a previous AQ if there is deemed misuse on Reason Code 3, Business Rule 2 would look to apply this across all Reason Codes.

Steve Mulinganie (SM) highlighted that the principal of clawback and corrections exists in relation to other Codes. SM further added that if deemed domestic, this Business Rule may not apply. ER added that it may be based on the Market Sector, the AQ or a combination of both.

#### Business Rule 3

JL advised that in terms of identifying misuse of an ‘eligible cause’, in order for it to have deemed to have not applied, this is expected to be undertaken by the Performance Assurance Committee (PAC). In the event PAC are deemed to have the facility to investigate misuse, this could allow CDSP to reverse.

#### Business Rule 4

JL confirmed that once misuse has been established as per the Business Rule 3 AQ amendment, this will be deemed as not applied and costs will be recovered by the CDSP.

ER advised that low level detail has been provided due to the number of AQ Correction Modifications considered over the past few years.

#### Business Rule 5

JL advised that the reference to Section TPD G 2.3.4(b)(i) is incorrect. This will be amended with an updated version of the Modification to be shared with the Joint Office for publication.

JL advised that this Business Rule intends to make the submission of meter readings optional when submitting an ‘eligible cause’. At present Code currently suggests a Valid Meter Reading

is submitted with an AQ amendment but the value of this is not clear, therefore it is suggesting it is optional. An update to this section of Code will make the criteria clear.

## 2. Initial Discussion

### 2.1. Issues and Questions from Panel

The Workgroup confirmed that this agenda point would be discussed in further detail at the next meeting, however, please see below the brief points discussed:

**2.1.1.** Consider how the burden of proof will work in practise and could this result in a material impact?

ER advised that this question was discussed as part of the Outline of the Modification in section 1 above.

**2.1.2.** Does this work as a useful disincentive for misuse?

ER advised that this Modification should act as a disincentive for misuse due to the process in place which allows for the reversal of AQ requiring payment of costs which could've been avoided.

**2.1.3.** Considering 0816S extending the range of reason codes, is this Modification still required?

SM highlighted that in the event there is misuse in other Codes, this should be addressed. Part of the introduction of the claw-back provision is to utilise it across other Codes.

### 2.2. Initial Representations

None received.

### 2.3. Terms of Reference

The standard UNC Workgroup Terms of Reference will apply and is available at [www.gasgovernance.co.uk/0876](http://www.gasgovernance.co.uk/0876)

## 3. Next Steps

The following next steps were confirmed:

- To focus on setting the validation and considering what is appropriate for Business Rule 1 (i.e. Market Sector/AQ/combination of both); and
- To obtain Workgroup's views on the appropriateness of Business Rule 4 regarding reinstating costs to ensure that Workgroup is comfortable with the proposal.

## 4. Any Other Business

None.

## 5. Diary Planning

0876 meetings are listed at: <https://www.gasgovernance.co.uk/0876/230524>

All other Joint Office events are available via: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 27 June 2024	5pm Thursday 18 June 2024	Microsoft Teams	Standard Workgroup Agenda