

**Distribution Workgroup Minutes**  
**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
Helen Bennett until 09:44	(HB)	Joint Office
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
Tom Stuart	(TSu)	Wales & West Utilities
<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. Introduction and Status Review**

Dan Simons (DS) welcomed everyone to the meeting. The meeting was confirmed as quorate.

Helen Bennett (HB) provided an update on the User Representative Appointment Process for the Gas Year 2024/2025.

A current Single Point of Contact (SPoC) window has now opened to allow details of SPoC's to be confirmed. Currently, nominations are only being accepted from SPoC's, and that this year

there will be no nomination requests for UNC Panel as the membership runs until 30 September 2025. Nominations are being requested for:

- DESC Committee,
- Energy Balancing Credit Committee (EBCC),
- Performance Assurance Committee (PAC),
- DSC Change Management Committee,
- DSC Contract Management Committee, and
- DSC Credit Committee.

HB explained that PAC is slightly different this year, explaining that it has merged into a 2-year membership term with a staggered approach. Consequently, 4 members will be up for nominations as of October and the remaining 5 will run up to September 2025.

HB provided a reminder, advising that if any of the Distribution Workgroup participants sit on any of the above-mentioned Committee's, their memberships will expire on 30 September 2024, should they wish to remain, a nomination will need to be put forward via their SPoC.

### 1.1 Approval of Minutes (25 April 2024)

The minutes from the previous meeting were approved.

### 1.2 Approval of Late Papers

There were no Late Papers to approve.

### 1.3 Review of Outstanding Actions

There were no Outstanding Actions to review.

### 1.4 Modifications with Ofgem

The Chair advised that a report was available on the Ofgem website at: <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable> dated 2 May 2024 and shows the Expected Decision Dates (EDD) for all Modification currently awaiting an Ofgem Decision.

The Chair provided the following summary:

Modification	Estimated Decision Date
0854 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers	Approved 10 May 2024
0841 - Introduction of cost efficiency and transparency requirements for the CDSP Budget	Approved 17 May 2024
0842 - Gas Entry onto the Total system via an Independent Gas Transporter	TBC

Rebecca Hailes (RHa) provided an update advising that the next EDD table is due for publication on 31 May 2024, and this will include an EDD for UNC 0842 and IGT UNC 172. It was confirmed by Charlotte Gilbert (CG) that Ofgem are minded to approve IGT UNC 172.

### 1.5 Statutory Consultation for the Codes Change Programme (CCP) on behalf of Ofgem

RHa provided an update on the Statutory Consultation for the CCP on behalf of Ofgem, and the email that was sent to industry regarding the change to the UNC to introduce the role of Independent System Operator Planner (ISOP) which will be named the "National Energy System Operator (NESO)."

The circulated email contains a link to the Consultation which is due to close before midnight on 17 June 2024.

RHa explained that there have been a significant number of Legal Text changes to the UNC however, these changes are focused around the theme of introducing an Independent System Operator and Planner. National Gas Transmission (NGT) have been directed to produce the Legal Text. RHa highlighted that interested parties should respond to the consultation directly as it will not be considered further during UNC Committee meetings.

Louise Hellyer (LH) requested for the email to be sent to her, RHa advised that she should contact the Joint Office to ensure she is on the UNC distribution list.

## 1.6 Pre-Modification Discussions

### 1.6.1. Review and consolidation of TDIIC - Transitional Rules

Conor McClarin (CMc) provided an overview of the Pre-Modification, advising that the TDIIC Transitional Rules had not been reviewed for some time and National Gas Transmission was therefore undertaking a tidy-up exercise.

CMc advised that the proposal is for this Modification to be self-governance rather than fast-track due to the scrutiny required in relation to the removal of expired or redundant rules.

Although this is an administrative exercise, the intention is to prevent this exercise from being conducted again in the future. The enforcement of Sunset Clauses will be utilised.

Steve Mulinganie (SM) queried the appropriateness of this Modification being self-governance given some of the rules under consideration may have been subject to Authority consent when introduced. CMc advised that this would likely be considered as part of the development of the solution. RHa added that the removal of transitional rules which are no longer live or required is likely to require a self-governance approach. Scrutiny and feedback from Workgroup are welcome to assist in the development of this Modification.

CMc advised that it is envisaged that circa. 90% is to be removed following this exercise, highlighting that some of the rules expired in 2006. There are a few rules which NGT propose to remain.

CMc highlighted that although subject to Panel decision, he envisages that 3 Workgroups may be appropriate to discuss this Modification.

Please refer to the [presentation slides](#) published for further information.

### 1.6.2. Any other Pre-Mod discussion requests

No other Pre-Modifications were presented for discussion.

## 2. CSS REC Consequential Changes Update

Dave Addison (DA) provided an update on the CSS REC Consequential Changes.

DA explained that within the REC, Supply Meter Points that are at a Terminated Status cannot be switched between Suppliers.

The CDSP has seen instances where Supply Meter Points have been stranded in REC Party portfolios as the REC Party is unable to undertake the necessary deactivation (i.e. Withdrawal is the equivalent UNC Term) for such sites due to market exit, or User qualification lapsing.

DA provided an overview of the 3 proposed options for dealing with these sites:

1. Allow the CDSP to initiate Deregistration. The CDSP would need to assure themselves that the SMP was indeed Dead and therefore there was no risk of unidentified gas being caused.
2. The CSS Rules are changed to allow portfolio transfers of Terminated sites.
3. The derogation gets put within the Code. The reason this was not considered as the favoured option was due to amendment of the correct status of the SMP / RMP Status.

DA noted that Option 1 is favoured by the CDSP as this option ensures that the SMP / RMP Status is not doctored.

In such an instance, the potential business rules in a UNC Modification would mean the CDSP would be able to initiate a Registration Deactivation Request in the event that a Supply Meter Point is unable to be Switched. This might be at the request of Registered Supplier (or a party acting on behalf of the Supplier such as an administrator) or at the request of a Supplier of Last Resort.

SM raised a question in relation to dead sites, querying whether there will be a clause to allow for a reversal in the event a dead site is found to still be live. SM highlighted that he has seen misuse of the process, therefore a safety net clause should be considered. DA highlighted that this was a good point and something CDSP have considered. DA discussed the derogation process and queried whether there should be a higher bar for the CDSP in relation to amending the status of dead sites.

SM raised concerns regarding accountability and that consideration should be given to mitigating the risk of liability arising in the event that a site status is incorrectly switched.

DA discussed the final option, highlighting that this is not the preferred option as it would require putting derogation into the Code. CDSP dealt with circa. 250 sites last year including an additional 75 unidentified sites. CDSP envisage that there are circa.50 sites awaiting further action that will need to be considered.

DA highlighted REC Change R0167 to Workgroup which is currently going through the REC consultation process and is due to close on 3 June 2024. This change is seeking to enable process improvements to the REC Change Process and may be of interest to Workgroup Participants.

DA also highlighted REC Change R0148, highlighting that Legal Text is to be published by the end of June. DA noted that Workgroup participants may want to monitor the REC Change, advising that he believes they are likely to be consequential impacts on the DSC.

### 3. Workgroup

The following Workgroup meetings took place:

#### **3.1 0851R - Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window**

(Report to Panel 18 July 2024)

<https://www.gasgovernance.co.uk/0851>

#### **3.2 0862 - Amendments to the current Unidentified Gas Reconciliation Period arrangements**

(Report to Panel 18 July 2024)

<https://www.gasgovernance.co.uk/0862>

#### **3.3 0863S - Erroneous Transfers Exception Process - *Withdrawal submitted.***

(Report to Panel 15 August 2024)

<https://www.gasgovernance.co.uk/0863>

#### **3.4 0868 - Change to the current Allocation of Unidentified Gas Statement frequency**

(Report to Panel 15 August 2024)

<https://www.gasgovernance.co.uk/0868>

#### **3.5 0873 - Add specific roll-over functionality for the AUG Table 2025/26**

(Report to Panel 18 July 2024)

<https://www.gasgovernance.co.uk/0873>

#### **3.6 0875S - Minor amendment to the Vacant Site exit process & 0819 Legal Text re-numbering**

(Report to Panel 18 July 2024)

<https://www.gasgovernance.co.uk/0875>

#### **3.7 0876S - Updates to the Annual Quantity (AQ) amendment process**

(Report to Panel 21 November 2024)

<https://www.gasgovernance.co.uk/0876>

**4. Distribution Workgroup Change Horizon**

Please note that the specifics of this report can be reviewed at <https://www.gasgovernance.co.uk/Dist/230524>; as such, they are not replicated here.

Josie Lewis (JL) provided a brief overview of the presentation slides to Workgroup noting the following updates:

- Modification 0855 has been updated to reflect the implementation date of 27 June 2024.
- Modification 0868 was approved and will be moving towards implementation on 10 June 2024.
- Modification 0841 has been approved by Ofgem and will be moving towards an implementation date of 3 June 2024.

**5. Product Class Review**

Ellie Rogers (ER) advised that it was agreed during the last meeting that this item would be removed from the agenda going forward.

JL has now provided the necessary information for a review, which is due to be considered by Panel in June.

**6. Issues**

**6.1. New Issues**

No new issues were raised.

**7. Any Other Business**

None raised.

**8. Diary Planning**

Distribution meetings are listed at: <https://www.gasgovernance.co.uk/Dist>

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 Wednesday 19 June 2024	Microsoft Teams	• Standard Agenda
10:00 Thursday 25 July 2024	5pm Wednesday 17 July 2024	Microsoft Teams	• Standard Agenda
10:00 Thursday 22 August 2024	5pm Wednesday 14 August 2024	Microsoft Teams	• Standard Agenda
10:00 Thursday 26 September 2024	5pm Wednesday 18 September 2024	Microsoft Teams	• Standard Agenda
10:00 Thursday 24 October 2024	5pm Wednesday 16 October 2024	Microsoft Teams	• Standard Agenda
10:00 Thursday 28 November 2024	5pm Wednesday 13 November 2024	Microsoft Teams	• Standard Agenda
10:00 Thursday	TBC	Microsoft	• Standard Agenda

TBC December 2024		Teams	
----------------------	--	-------	--

**UNC Workgroup 0851R**  
**Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window**  
**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
Anne Jackson	(AJ)	Gemserv
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DMi)	Southern Gas Networks
David Morley	(DMo)	Ovo Energy
Edward Allard until 13:02	(EA)	Cadent Gas
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bennett	(HB)	Joint Office
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
Tom Stuart	(TSu)	Wales & West Utilities
<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. Introduction and Status Review**

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

**1.1 Approval of Minutes (28 March 2024)**

The minutes from the previous meeting were approved.

**1.2 Approval of Late Papers**

There were 2 papers submitted late due to a crossover with the timing of the Performance Assurance Committee (PAC) meeting, however, both were approved.

### 1.3 Review of Outstanding Actions

**1201:** PAC to consider whether they want staggered benchmarks and if so, does the suggestion on slide 5 work for PAC? If not, can PAC suggest anything else? Consideration of wording in TPD Section M 5.9.4.

**Update:** Please see the discussions at point 2, following the presentation of slides by Anne Jackson (AJ). The staggered benchmarks were discussed, and it was noted that going beyond the 25 days is seen more as an exception rather than a rule. It was therefore agreed to close this action.

**Closed.**

## 2. Review Discussion

AJ provided an [overview of the feedback obtained from the previously issued Performance Assurance Committee \(PAC\) RFI](#).

AJ advised that it was apparent from the responses that Parties deal with meter readings in different ways which resulted in some inconsistent results with often only limited data available.

AJ then presented some headline statistics from the RFI responses:

- 81% of respondents validate for the meter reading 25 business day submission window.
- 16% of respondents do not validate for the meter reading 25 business day submission window.
- 90% of respondents would not send in meter readings that fail their validation.
- Most respondents are not able to determine how many reads were obtained that, due to validation failures, were not sent to the CDSP.
- Parties average for valid readings being submitted within 10 business days is 95% with an additional 3% (Party average) being submitted within 11-25 business days. For many organisations, the breakdown across rejection criteria was not available.
- One organisation could determine the impact that changing the 25-day submission window would have:
  - 35% of meter readings requiring remedial work take longer than 25 business days to complete.
  - 27% of the readings obtained fall into the remedial work pot.

DMo queried whether additional analysis could be taken to infer portfolio size whilst also maintaining anonymity. AJ advised this would be possible, however not on an individual basis, it would need to be done as a group.

The Workgroup then discussed the results.

The Workgroup discussed rejected reads and the reasons for this, with Steve Mulinganie (SM) suggesting the option of internal checks being conducted. AJ advised that a common reason for rejected readings was due to readings being submitted too frequently. This is a rejection reason identified that cannot be rectified through remedial work.

AJ provided an overview of the considerations and views obtained from the PAC.

The PAC noted that Party processes seem to largely be automated, and that transparency of system validation is poor.

There does not appear to be evidence to support the benefit or otherwise of amending the current 25 business-day cut-off. PAC noted that respondents indicated that a high percentage of reads received (91%) are submitted within 10 business days.

PAC indicated that the evidence supported that the current submission arrangements were

working for the parties that were able to provide information. PAC felt that the 25-business day submission deadline could be extended but that it should only be used as the exception rather than for normal 'business as usual'. The main purpose of extending the window would be for proportionally low volumes of difficult-to-resolve rejections that needed additional time to resolve.

The Workgroup discussed the impact of amending the 25-business day cut off to an alternative date and the implications this may have for meter reading performance and on the amendment invoices. In relation to the time required to 'fix' reads, PAC confirmed that they did not have a view on this.

The Workgroup discussed the option of amending the wording of "obtained" to "required" and the potential impact this could have on those who may not be performing well. When comparing reads that should have been obtained against what has been obtained, AJ advised it is important to exercise caution as the ratio may differ. DMO advised that the Business Rules had been updated to include a Business Rule 2 which states the amended wording. Section 5.9.4 states one must obtain valid readings, the word "obtained" will be replaced with "required".

SM raised that it might be worth monitoring other business day cut-offs to see if there is a shift in behaviour to indicate whether a change is required. SM advised that SEFE Energy Limited are looking to raise an alternative to the Modification suggesting 45 business days as opposed to 25.

DMO advised that the rationale for including the wording "required" is that it will allow for reporting to be produced by CDSP for PAC. Ellie Rogers (ER) added that "obtained" means after the event, having to wait to understand what has been obtained. If someone wants to consider the data at a moment in time, amending the word to "required" would allow CDSP to do this. DMO advised that in the event PAC wish to conduct a reporting exercise, having the data ahead of time will be useful. Considering this, DMO advised that he still wishes to propose the addition of Business Rule 2.

SM advised that SEFE Energy Limited will be proposing to PAC to monitor the data at 10, 25 and 45 days. SM added that it has been useful to learn that the majority of reads are submitted within 10 days however, SEFE Energy Limited will propose extending the window to 45 days on the basis that it would be unlikely to have any material impact on the volumes of valid meter readings that are being submitted within the 10 days but may allow for an increased volume of reads to be submitted (or resubmitted) beyond the current 25 days.

Workgroup participants agreed that the analysis provided by AJ was very useful and would help to inform the next steps.

Please refer to the presentation slides published for further details.

### **2.1. Assessment of any data available and any further data required**

Please see the discussions at item 2 above.

### **2.2. Workgroup assessment of options for a Modification**

Please see the discussions at item 2 above.

## **3. Development of Workgroup Report**

DS advised that he would commence the drafting of the Workgroup Report for review at the next meeting, before going to Panel in July.

DMO advised that the Business Rules are unlikely to change apart from the inclusion of the staggered benchmarks. Further details changed within the document can be covered in a single Workgroup meeting.

Rebecca Hailes (RHa) advised that to reduce the workload, it is recommended that SM raises the alternative Modification whilst Modification 0851R is live, this will reduce the amount of reporting required. RHa will try and obtain some advice from the Joint Office in relation to proposals. SM advised that the intention is to align the alternate with DMO's Modification. Considering this, RHa suggested that it might be worth considering closing Modification 0851R and for SM to contact the Joint Office to raise the alternate.

SM discussed the rationale for considering 45 business days, stating that the invoicing amendments window is largely unimpacted in relation to the analysis for 45 business days. There are concerns about misusing the process if considering going beyond 45 business days. The potential misuse scenarios were discussed in the Workgroup.

**4. Next Steps**

Workgroup to consider the following:

- Review of the Workgroup Report at the next meeting.

**Post Meeting Note:**

The Joint Office has since received a request from the Proposer for this Request to be Closed. This has been added to the UNC Panel Agenda on 20 June 2024.

**5. Any Other Business**

None.

**6. Diary Planning**

0851R Meetings are listed at: <https://www.gasgovernance.co.uk/0851R>

Further details of planned meetings are available at: [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 Wednesday 19 June 2024	Microsoft Teams	• Completion of Workgroup Report

Workgroup 0851R Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
1201	11/12/2023	2	PAC to consider whether they want staggered benchmarks and if so, does the suggestion on slide 5 work for PAC? If not, can PAC suggest anything else. Consideration of wording in TPD Section M 5.9.4.	December 23	PAC	Closed

**UNC Workgroup 0862**  
**Amendments to the current Unidentified Gas Reconciliation Period**  
**arrangements**  
**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
Tom Stuart	(TSu)	Wales & West Utilities
<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. Introduction and Status Review**

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

**1.1 Approval of Minutes (25 April 2024)**

The previous minutes were approved.

**1.2 Approval of Late Papers**

No late papers to approve.

### 1.3 Review of Outstanding Actions

**0301:** IGTs (CG) to consider the potential impact on the IGT Code, following a review of Legal Text.

**Update:** DS provided an update, advising that the complexity of the Legal Text was discussed during the last Workgroup.

Edward Allard (EA) noted that the draft Legal Text had been produced by the lawyers but that it was currently being reviewed by Cadent and the CDSP and was not yet available for review by the Workgroup.

CDSP advised that they have received the Legal Text and will be conducting a review, anticipating that there may be further discussions regarding this in the next Workgroup.

The complexity of the Legal Text is due to the section of the Code that requires amendments.

Workgroup participants were satisfied with how the Legal Text is progressing noting that a request for an extension is unlikely to be required. It was therefore agreed to carry forward this action until Workgroup has seen the Legal Text.

#### Carried Forward

## 2. Amended Modification

DS advised that there was nothing further to discuss at this stage as there have been no further amendments. Further discussion regarding the Business Rules took place under agenda item 4, please see below.

## 3. Review of Processes

No further changes to discuss.

## 4. Business Rules Development

Kathryn Adeseye (KA) provided an overview of the Business Rules, advising that she had added wording to Business Rule 1 as a note to provide further context. This note drew reference to TPDE 7.5.4 of the Code, to apply where the Registered User is, at the time of UIG Reconciliation Period, a Discontinuing User.

SM advised that he was happy for this addition to be added as a note rather than as a separate Business Rule however it may be appropriate to discuss further to see if it is substantive enough to be its own Business Rule.

Workgroup participants discussed the potential of this addition being a Business Rule and the link it would therefore have with the Legal Text. In light of this, it was agreed that this addition should be added as an additional Business Rule rather than a note.

<b>New Action 0501:</b> SEFE Energy Limited (SM) to update the Modification and send an updated version to the Joint Office for publication and circulation to the Workgroup.
---

## 5. Legal text review

There is no Legal Text to review as of yet. Please see above for further discussions on the outstanding action.

## 6. Development of Workgroup Report

DS provided an overview of the Workgroup Report advising that there have not been many changes.

DS highlighted that the main change had been made to the Rough Order of Magnitude (ROM) section to update the discussions following the last meeting. Details of the costs, timescales and

release type have all been included.

Ellie Rogers (ER) highlighted that the implementation is likely to be delivered under a Major Release, however, is unlikely to be this year.

Rebecca Hailes (RHa) confirmed that this matter had been discussed at the DSC Change Management Committee and had been approved for Development.

DS advised that the Workgroup Report will be updated to reflect these discussions and anticipates that following the next meeting, Workgroup will be in a position to sign off for the matter to attend Panel in July 2024 as per the agreed timetable.

**7. Next Steps**

Workgroup to consider the following:

- Review of the Legal Text and consider how the IGT action relates to the same; and
- SM to circulate the updated Modification to include Business Rule 2.

**8. Any Other Business**

None.

**9. Diary Planning**

0862 Meetings are listed at: <https://www.gasgovernance.co.uk/0862/230524>

Further details of planned meetings are available at: [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 Wednesday 18 June 2024	Microsoft Teams	• Completion of Workgroup Report

Workgroup 0862 Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0301	20/03/2024	6.0	GTs (CG) to consider the potential impact on the IGT Code, following a review of Legal Text.	May 2024	IGTs (CG)	Carried Forward
0501	24/05/24	4.0	SEFE Energy Limited (SM) to update the Modification and send an updated version to the Joint Office for publication and circulation to Workgroup.	June 2024	SEFE Energy Limited (SM)	Pending

**UNC Workgroup 0868**  
**Amendments to the current Unidentified Gas Reconciliation Period**  
**Arrangements**  
**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
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](http://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

<b>Workgroup 0868 Action Table</b>						
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Reporting Month</b>	<b>Owner</b>	<b>Status Update</b>
<b>0502</b>	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)	<b>Closed</b>
<b>0503</b>	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)	<b>Closed</b>
<b>0504</b>	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)	<b>Closed</b>
<b>0301</b>	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)	<b>Pending</b>
<b>0302</b>	28/05/24	2.0	SEFE Energy Limited (SM) to consider how Business Rule 3 can be increased.	May 2024	SEFE Energy Limited (SM)	<b>Pending</b>
<b>0303</b>	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)	<b>Pending</b>

**UNC Workgroup 0873**  
**Allow specific roll-over for the AUG Table 2025/26**  
**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
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DMi)	Southern Gas Networks
David Morley	(DMo)	Ovo Energy
Edward Allard until 13:02	(EA)	Cadent Gas
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bennett	(HB)	Joint Office
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
Tom Stuart	(TSu)	Wales & West Utilities
<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. Introduction and Status Review**

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

**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**

**0401:** ER to ‘map out’ the AUG Table timeline to demonstrate the 2-year ‘rollover’.

**Update:** Ellie Rogers (ER) provided an overview of the CDSP responses to the 4 questions from Panel. This document is available on the [0873 page](#) of the Joint Office website.

**Question 1 – Consider asking the Proposer to remove the word ‘functionality’ from the title.**

The use of the word “functionality” was considered misleading and has subsequently been removed from the Modification.

**Question 2 – Consider the impact on Modification 0843.**

This question relates to the potential impact of 0873 on Modification 0843 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert. This Modification seeks to incentivise the reduction of greenhouse gas emissions and lower customer bills, and to introduce the role of an Independent Shrinkage Expert (ISE) who will establish:

- the Independent Shrinkage Model (ISM),
- the Independent Shrinkage Model Methodology (ISMM), and
- the Independent Shrinkage Charge (ISC).

ER noted that in terms of considering the impacts of rolling over the 2025/26 AUG Table for 2026/27 and 2027/28, the AUGE process and the AUG Table do not determine the amount of UIG, it simply provides an independent way of allocating/distributing it.

Modification 0843 if implemented could see the amount of UIG reduce if the ISE identifies a Shrinkage Model error and Ofgem approves their statement. This will be accounted for under the process to calculate UIG and the AUG Table will continue, via the weighting factors, to distribute UIG.

Under the AUGE process, the AUGE will assess contributors to UIG which typically include IGT Shrinkage.

Based on the current timescale for Modification 0843, the earliest Ofgem can make a decision is end of September 2024. ER noted that the CDSP typically requires a 12-month period to undertake a regulated procurement exercise to appointment, however due to this being a new role, the CDSP expects to undertake a two-phased approach to initially understand what bidders can offer, followed by a more targeted second-phase. Based on this, a more realistic minimal lead time is estimated to be 18 months. Taking this into account, the earliest point for an ISE to be appointed would be April 2026. The ISE would then need a year to develop the outputs meaning the first delivery would be April 2027. This is the earliest timeline possible for Modification 0843.

As a result, the maximum interaction between 0873 and 0843 would be one year, 2027/28.

The AUGE will continue to assess and consider known contributors to accurately create the AUG Table and weighting factors, based on the current UNC rules and any known future changes. Based on this, ER advised that she was confident that there would be no adverse impact on 0843.

No questions were raised by the Workgroup.

**Question 3 – Consider any potential role for UNCC in authorising a roll-over.**

Under the existing UNC, TPD Section E9.4.3 and 9.4.4 sets out the involvement of the UNCC in ‘approving’ the AUG Table, specifically within 9.4.3 (h). This clause confirms that UNCC will ‘approve’ the final AUG Table, unless, the UNCC unanimously approve a modified AUG Table, or unanimously decide a further iteration of a step is required.

This sets a ‘high bar’ for the UNCC to do anything other than approve the presented AUG Table because anything different requires unanimous approval from the UNCC. Because of this clause, the final step at UNCC has been unofficially deemed as the process to allow the ‘disapproval’ of the proposed AUG Table as it will apply unless a unanimous decision not to.

In terms of Modification 0873 and the question about UNCC authorising the roll-over of the table, it is proposed that the step to present the AUG Table which will apply for the AUG Year, will still

be presented/notified at the April 2025 UNCC, however, this will not require further approval. The reason for this is that it has already been approved when the 2025/26 AUG Table was presented.

ER noted that if the UNCC had the responsibility to authorise the rollover, this would create uncertainty in terms of the AUG Table to apply for the AUG Year. Whereas having the confirmation that the AUG Table for 2025/26 will apply for 2026/27 and 2027/28, provides certainty and is the most efficient way of managing the potential change in the AUGE process, whilst maintaining compliance with the obligation to provide an AUG Table.

The CDSP does not believe this removes the UNCC visibility of the process but considers that adding a step for the UNCC to authorise the AUG Table rollover would add complexity and uncertainty.

Steve Mulinganie (SM) highlighted that people are at liberty to raise a Modification in relation to a new table at any time, ER confirmed that this position was correct.

#### **Question 4 – Consider whether the rollover could be for fewer years.**

ER provided an overview of whether the rollover could be for fewer years noting that the current AUGE is contracted to produce one more AUG Table for AUG Year 2025/26.

ER noted that the development of Modification 0868 - Change to the current Allocation of Unidentified Gas Statement frequency & scope, is currently scheduled until September 2024 with the possibility that a decision could be made as early as October 2024. Assuming that Modification 0868 was approved, there would need to be approximately 12 months to allow for the procurement and mobilisation of the new AUGE scope.

Following the appointment of the AUGE, under the 0868 proposed process, there would be a longer lead time for the AUGE activities. Subsequently, the minimum rollover would need to be 2 years. If it was any less, it doesn't give enough time for the new AUGE process to be completed.

ER noted that the CDSP will need to be clear regarding the procurement requirements and, in the event that 0868 was rejected, the CDSP would need to mobilise the procurement based on the current scope.

No questions were raised by the Workgroup.

In light of this presentation, it was agreed that this action would be closed.

**Closed.**

**0402:** ER to update the Modification further to the Workgroup discussions.

**Update:** Please see a review of the discussions in section 2 below. It was agreed that this action could be closed.

**Closed.**

## **2. Consideration of Amended Modification**

ER provided an overview of the Amendments to the Modification.

The word "functionality" has now been removed from the document, due to the comments from Panel advising that it was misleading.

### Business Rule 1

This Business Rule remains the same with the addition of the word "also" to provide further clarity.

### Business Rule 2

This now sets out where the rollover period is in place, which clauses in the Code will not apply.

There has also been the addition of a guidance note to end date the clauses once the transitional period is complete.

### Business Rule 3

For the transitional period where there is a rollover, reference to the AUG year should apply to a period of more than 1 year.

There has also been the addition of a guidance note stating that the rollover clauses should be removed following completion of the 2027/28 AUG Year.

### Business Rule 4

Instead of obtaining UNCC approval as per TPD 9.4.3, no later than the April, which is the standard meeting for the UNCC regarding AUG related business, the UNCC will be notified of the AUG table that will apply from the start of that AUG year. ER referred to the high bar which was discussed in relation to the outstanding action 0401.

There has also been the addition of a guidance note. It was highlighted that where something is transitional or happening for a specified period of time, a Sunset Clause will be required.

### Framework Document

ER provided an overview of the Framework document, advising that only minimal changes had been made.

In relation to Section 6, the proposal is that this section would not apply during the specified roll-over years.

ER referred to Section 7, highlighting that this has been kept simple and that only steps 12 (amended), 14 (amended) and 16 within clause 7.1 will apply in relation to AUG Years 2026/27 and 2027/28.

DS asked if Dave Mitchell (DMi) was satisfied that the Business Rules were sufficiently developed to commence the development of the Legal Text. DMi confirmed that he was satisfied that the Business Rules were sufficiently developed and took action to produce Legal Text for discussion at the June Workgroup meeting.

**Action 0501:** DMi to develop Legal Text for discussion at the June Workgroup meeting.

### 3. Development of Workgroup Report

Deferred to the next Workgroup Meeting.

### 4. Next Steps

Workgroup to consider the following at the next meeting:

- Review of the Legal Text; and
- Review of the Workgroup Report.

### 5. Any Other Business

None.

### 6. Diary Planning

0873 Meetings are listed at: <https://www.gasgovernance.co.uk/0873/230524>

Further details of planned meetings are available at: [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 Wednesday 18 June 2024	Microsoft Teams	• Completion of Workgroup Report

<b>0873 Workgroup Action Table</b>						
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Reporting Month</b>	<b>Owner</b>	<b>Status Update</b>
<b>0401</b>	25/04/24	1.0	ER to 'map out' the AUG Table timeline to demonstrate the 2-year 'rollover'.	May 2024	CDSP (ER)	<b>Closed</b>
<b>0402</b>	25/04/24	2.1.3	ER to update the Modification further to the Workgroup discussions.	May2024	CDSP (ER)	<b>Closed</b>
<b>0501</b>	23/05/24	2.0	DMi to develop Legal Text for discussion at the June Workgroup meeting.	June 2024	SGN (DMi)	<b>Pending</b>

## UNC Workgroup 0875S

### Minor amendment to the Vacant Site exit process & 0819 Legal Text re-numbering

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
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DMi)	Southern Gas Networks
David Morley	(DMo)	Ovo Energy
Edward Allard until 13:02	(EA)	Cadent Gas
Ellie Rogers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bennett	(HB)	Joint Office
James Lomax	(JLo)	Cornwall Insight
John Harris	(JH)	Correla
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 Helder	(SH)	Northern Gas Networks
Tom Stuart	(TSu)	Wales & West Utilities
<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. Introduction and Status Review

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

### 1.1 Approval of Minutes (25 April 2024)

The previous minutes were approved.

### 1.2 Approval of Late Papers

No late papers to approve.

### 1.3 Review of Outstanding Actions

**0401:** KA to check whether the term 'Request for Isolation' in Business Rule 1 is a Defined Term and whether an updated Modification is required.

**Update:** DS confirmed that 'Request for Isolation' is not a defined term and Kathryn Adeseye (KA) had accordingly updated the terminology in the document. Please see section 2 below for further discussion. It was therefore agreed that this action was to be closed.

**Closed.**

**0402:** AC to provide draft Legal Text for consideration at the May Workgroup meeting.

**Update:** The Workgroup reviewed the Legal Text during the meeting. It was therefore agreed to close this action.

**Closed.**

## 2. Consideration of Amended Modification

KA presented the Amended Modification to the Workgroup, highlighting that further to the last meeting, all instances of 'Request for Isolation' had been replaced with 'Isolation Request'. This has been amended throughout the Modification.

All references to 'Isolated Status' have been removed and have been re-drafted to state 'Isolated' only. This has been amended throughout the Modification.

KA drew reference to a typo in the document and advised that this would be rectified following the meeting and an updated version would be circulated.

## 3. Legal Text Review

Andy Clasper (AC) together with KA provided an overview of the Legal Text to the Workgroup for review. A copy of the Legal Text alongside an explanatory table can be found on the [0875S page](#) on the Joint Office website.

AC advised that as Modification 0819 has already been approved, the text for this Modification has been amended.

A number of amendments have been made to paragraphs 2.3.21, 2.3.24 and 2.3.27 to add new eligible cause Reason Codes which are now drafted as (f) and (g). Amendments have also been made to cross-reference the new Reason Codes.

### Section 10.4.1

KA advised that amendments have been made to the eligible causes with the references being tweaked.

### Section 10.4.3

To swap the order of old sub-paragraphs (a) and (b) which identify the date from which a Supply Meter Point ceases to be Vacant by reference to the nature of the relevant Cessation Event.

### Section 10.4.4

To amend the meaning of 'relevant date' for purposes of paragraph 10.4.3 following a Cessation Event where the relevant event is either a request for isolation or a change in classification of the Supply Meter Point. [Section 10.4.5](#)

This section has been edited to update cross-references following Modification 0819 implementation.

### Section 10.4.6

This Section has been edited to update cross-references following Modification 0819 implementation.

### Section 10.4.7

This Section provides a rule for establishing the Annual Quantity following a Cessation Event

where the relevant event is either a request for isolation or a change in classification of the Supply Meter Point.

KA advised that the reference to the supply point register will be updated following this meeting and will be shared with the Joint Office for circulation.

DS advised that it would be helpful to have a table showing each Business Rule and the associated section of the Legal Text. This would assist in the drafting of the Workgroup Report. AC advised that an explanatory table would be provided.

No further comments or questions were raised.

The Workgroup discussed the completion of this Modification, highlighting that given the non-contentious nature of the Modification, it may be able to report to the Panel a month earlier than the planned date of July 2024, despite the Workgroup Report not yet having been reviewed by the Workgroup. DS advised that he would take away the Workgroup Report to develop, in anticipation of presenting to the Panel earlier, but would need to run the proposal past the Joint Office back office team to determine the feasibility of presenting the report to the Panel a month early and without formal Workgroup review.

#### 4. Next Steps

- KA to circulate an updated version of the Amended Modification; and
- AC to request an explanatory table to assist DS with the drafting of the Workgroup Report.

#### 5. Any Other Business

None.

#### 6. Diary Planning

0875S Meetings are listed at: <https://www.gasgovernance.co.uk/0875/230524>

Further details of planned meetings are available at: [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 Wednesday 18 June 2024	Microsoft Teams	<ul style="list-style-type: none"> <li>• Completion of Workgroup Report</li> </ul>

0875 Workgroup Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0401	29/04/24	21.0	KA to check whether the term 'Request for Isolation' in Business Rule 1 is a Defined Term and whether an updated Modification is required.	May 2024	CDSP (KA)	Closed
0402	29/04/24	21.0	AC to provide draft Legal Text for consideration at the May Workgroup meeting.	May 2024	Cadent (AC)	Closed

**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