

UNC Workgroup 0710 Agenda
CDSP provision of Class 1 Read Service
Thursday 23 April 2020
Via Teleconference

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Kate Elleman	(KE)	Joint Office
Alex Travell	(AT)	BU-UK
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Guv Dosanjh	(GD)	Cadent
India Koller	(IK)	SGN
Joanne Fergusson	(JF)	NGN
John Dixon	(JD)	Ofgem
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Louise Hellyar	(LH)	Total Gas & Power
Nigel Bradbury	(NB)	CIA
Oorlagh Chapman	(OC)	British Gas
Paul Youngman	(PY)	DRAX
Richard Pomroy	(RP)	Wales & West Utilities
Sally Hardman	(SH)	SGN
Shanna Barr	(SB)	NGN
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0710/230420

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 June 2020.

1.0 Approval of Minutes (23 March 2020)

The minutes for previous meeting were reviewed and accepted.

1.1. Review of outstanding actions relating to Modification 0710

No outstanding actions to review

2.0 Consideration of Amended Modification

AR confirmed an amended Modification was published 15 April 2020.

RP provided a walkthrough of the changes made to the Modification and explained that the governance for this Modification was originally Authority Direction and he is now proposing Self-Governance. RP reminded Workgroup that UNC Panel asked Workgroup to consider if this Modification should be self-governance. The justification for this is included in the amended version of the Modification and is shown below for reference:

Justification for Self-Governance:

This modification transfers the obligation from Transporters to the CDSP and therefore the price cap on the Daily Metered Read charge in Condition 4D of the Transporter licence will no longer apply to this service. This is a significant change; however, given that the contracts between the DNOs and Daily Metered Service Providers are being novated in the short term there should be no effect on the charges Shippers receive and in the longer term the freedom for Suppliers to define the service will enable them to influence the charge. In addition, this service is provided to the largest consumers and the longer term potential for this service to change, although potentially providing Shippers with more influence and possibly choice in meter reading, could affect competition between Shippers in respect of these customers.

It is worth noting that the workgroup was asked to consider whether this modification should be self-governance (this was in response to a question from Ofgem although this is not recorded in the minutes of the UNC modification panel 21st November 2019). In addition, the COVID-19 emergency means that there is an argument for not burdening the Authority with additional work at this time together with the possible delay this may entail and therefore the view of the proposer is that on balance this modification should be subject to self-governance.

AR confirmed the decision to change from Authority Direction to Self-Governance would be up to UNC Panel.

SM commented the UNC Governance criteria for self-governance appear to be being changed, AR clarified RP is only asking Panel to consider. RP added that if this Modification were to remain as Authority Decision, it is unlikely there will be an Ofgem decision before September 2020.

John Dixon, Ofgem, joined the call and said this Modification would be looking at looking at around 1000 sites, which is a minimal amount in terms of materiality and that he does not feel it should go to Ofgem, he would be happy for it to be a self-governance Modification.

SM commented it would be preferable if the new CDSP charging structure and charges were made visible as part of this development process. AR concurred that the new DSC charging arrangements are relevant to these Workgroup discussions.

TS added, with regards to the service change, this is driven by the costs to Networks of providing the service rather than market forces, so on that basis, this is not a competition issue.

RP clarified he will incorporate Workgroup discussions into a subsequent version of the Modification.

JD added that it should not matter how busy Ofgem are, they should be able to do their job, this is a very dynamic situation.

AR suggested that the Modification could remain as currently drafted add comments in the Workgroup Report at the next Workgroup meeting in May 2020 to say whether the Workgroup did, or did not, support the suggested move to Self-Governance.

Solution:

RP went on to highlight the amendments made to the Solution of the Modification and clarified it would apply only apply to datalogged supply points, (telemetered supply points would be excluded) and a significant proportion of the change references the different treatment of the two types of supply point.

RP explained that the timing of the provision of the meter readings is in two places in UNC Code, and there is a degree inconsistency in the timings set out in UNC Code that has existed for some time; one section says 11am, one says 12noon. This happened when *Modification 0466AV - Daily Meter Reading Simplification (with improved within day data provision)* was implemented, the legal text changed one of the times to 12noon but did not change the section that stipulates 11am.

The Within Day Read Service currently relates to Shippers and WWU are proposing an equivalent service for Transporters, with by including it the schedule of DSC Service Lines.

Implementation

SM asked if the Modification is still proposing a 2020 implementation, RP advised that the timeline of the Modification may mean it might not be finalised until the August UNC Panel, therefore, an early 2021 implementation would be more realistic.

RP continued to provide a summarised walkthrough of the legal text which is provided in a summary paper published here: www.gasgovernance.co.uk/0710/230420.

Although the Modification is now stabilized, RP confirmed he will update it in relation to the Governance points made at the meeting.

3.0 Completion of Workgroup Report

As consideration of Modification 0710 by UNC Panel has been deferred to June 2020, completion of the Workgroup Report will commence at the next Workgroup meeting in May 2020.

4.0 Next Steps

AR confirmed the next steps:

- Review the amended Modification
- Establish Workgroup views on moving to Self-Governance
- Thorough look at section M in conjunction with the supporting documentation

5.0 Any Other Business

None.

6.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00, Thursday 28 May 2020	Teleconference	Distribution Workgroup standard Agenda

Action Table (as at 26 March 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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0201	27/02/20	2.1	<i>Legal Text:</i> All to provide feedback regarding section 6.5.1 & 6.5.2 being removed, the within day read provision would then become part of the DSC Service Line. Deadline is 13 March 2020.	All	Closed
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