

UNC Workgroup 0710 Agenda
CDSP provision of Class 1 Read Service
Thursday 28 May 2020
Via Teleconference

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Kate Elleman	(KE)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Guv Dosanjh	(GD)	Cadent
India Koller	(IK)	SGN
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Nitin Prajapati	(NP)	Cadent
Paul O'Toole	(PO)	Northern Gas Networks
Paul Bedford	(PB)	Opus Energy
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Sally Hardman	(SH)	SGN
Shanna Barr	(SB)	Northern Gas Networks
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/0710/280520

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 September 2020.

1.0 Approval of Minutes (23 April 2020)

In reviewing the minutes from the previous meeting, it was identified there were two actions there were two actions that had not been formally captured in the minutes and were responded to in this section of the meeting:

New Action 0401: CDSP (DA/ER) to clarify the new CDSP charging structure with a view to having them made visible as part of the development of this Modification.

In order to aid the discussion on this topic, AR showed on screen Cadent's current Metering Charging Statement to demonstrate how the datalogger charges are currently structured and highlighted that some DNs apply different methodologies.

RP added that Shippers requested some time ago a separate read and asset charge and that there will be a requirement for discussion in terms of new arrangements. RP went on to advise

that, as this Modification is not going to be implemented in 2020, and that implementation should be Summer 2021 by which time DNs will have published their charges for Financial Year 2021/2022. Therefore, the concern would only fully materialize in FY 2022/23 and by then, there should have been plenty of time for discussions to resolve charging methodologies and structures.

ER clarified the next stage would be when the contracts are due to expire, the CDSP would negotiate with service providers to get new contracts in place, clarifying it would be managed with engagement with Shippers.

DA advised that, in principle he would not expect to see an increase in charges, with the caveat that CDSP would not want to be replicating different methodologies. In terms of how the costs are derived, as part of the novation of the contract, CDSP would look at accommodating the different methodologies initially.

DA said he would expect in subsequent years there would be a single charging methodology.

RP advised the reason for the differences in charging is that certain costs were incurred in the initial 5 years of the contract, due to Project Nexus; changes to systems etc., and the WWU approach was to depreciate the lifetime costs over the first 5 years of the contract: other DNs may have taken a different view.

He further noted that WWU charges have gone up and down over the last few years which is reflected in their cost recovery approach.

New Action 0402: RP to incorporate Workgroup discussions [on governance] into a subsequent version of the Modification.

Meeting update: Workgroup discussed this, the outcome of which was that Workgroup agreed an amendment based to the proposed governance route is not required (See item 2.0 below). **Closed**

1.1. Review of outstanding actions relating to Modification 0710

No outstanding actions to review

2.0 Consideration of Amended Modification

The Modification has not been amended since the last meeting held in April 2020.

RP confirmed the governance for this Modification was originally proposed as Authority Direction, a view endorsed by Panel. At the last meeting, held in April 2020, RP suggested it could be Self Governance due to the aspect of competition.

He advised workgroup that the governance of a Modification is decided by UNC Panel and that instead of submitting a revised Modification as he did on 15 April 2020, he needs to reverse the change to the governance in the Modification back to Authority Direction and reflect in the Workgroup Report that Workgroup think it should be Self Governance and then refer to UNC Panel for decision.

The Workgroup Report will be updated to ask UNC Panel to reconsider the governance for this Modification.

New Action 0501: Joint Office (AR) to update the Workgroup Report to ask UNC Panel to reconsider the governance for this Modification.

3.0 Review of Legal Text

RP provided a detailed review of the Legal Text changes to TPD Section M - Supply Point Metering, and referred to the summary of changes provided and published here: www.gasgovernance.co.uk/0710/230420.

In summary, the highlighted changes were as follows:

A number of references to Transporter Daily Read Equipment have been changed to Daily Read Equipment.

Within Section 1.9 - Consumption Adjustment, substantial changes have been made to where the existing paragraph has been re-stated with the change to CDSP or Transporter. (Note; CDSP is responsible for Dataloggers: Transporter for Telemetered Meters)

Section 1.10 – Meter error, has had CDSP added.

When asked, RP clarified that this is currently the Transporters obligation, this section has been updated to state CDSP or Transporter where relevant.

1.14.1 now gives the CDSP the ability to provide and maintain Datalogged Daily Read Equipment.

1.14.2 (c) now has added validating Meter Readings from Telemetered Daily Read Equipment.

3.4 Failures of Special Metering Supply Meter Installations

This section has new text.

Section 5 – Meter Readings

5.1.3 RP advised he will revisit this paragraph as it may need splitting to clarify the responsibilities, in-line with the note above.

RP will amend the wording in 5.6.2 to say, 'in accordance' and remove the word "time", since the paragraph no longer specifies a specific time.

Section 6 – Class 1 Supply Meters

6.2 The definition of Daily Read Equipment has been added.

RP advised a more substantial Section 7 now refers to all arrangements specific to Telemetered Class 1 Supply Meters.

Section 8 which related to service for other GTs has been deleted because it referred to service provision from DNOs to IGTs.

New Action 0502: RP to consider the minor points of clarification of the Legal Text raised at this meeting and to prepare for a legal text finalisation Q&A session at the next meeting in June 2020.

New Action 0503: All Workgroup to review the Legal Text provided and published here: www.gasgovernance.co.uk/0710/

4.0 Completion of Workgroup Report

4.1. Issues and Questions from Panel

4.1.1. Consider whether this modification satisfies the self-governance criteria specifically bearing in mind the effect on competition.

The current view of the proposer is that the Workgroup should reconsider whether or not the proposal should be self-governance and make a recommendation to the Panel in the Workgroup Report, since, as noted above, ultimately, it is down to the Panel to determine the governance route. (See item 2.0)

4.1.2. Consider when should the proposal take effect

This was previously discussed at an earlier meeting, see minutes from that discussion below:

Workgroup considered this question from Panel and agreed implementation should aim for July 2020 but, given current events, the most likely date for the transfer of service provider would be summer 2021.

As Modification 0710 has now been extended to report to UNC Panel in September 2020, the development of the Workgroup Report will begin at the next meeting in June 2020.

5.0 Next Steps

AR confirmed the next steps:

- RP to provide an amended Modification.
- Review of first draft of Workgroup Report at the June 2020 meeting
- CDSP to provide a view on how they plan to deal with the charging mid-year 2021.

6.0 Any Other Business

None.

7.0 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 25 June 2020	Teleconference	Distribution Workgroup standard Agenda
10:00, Thursday 23 July 2020	TBC	Distribution Workgroup standard Agenda
10:00, Thursday 27 August 2020	TBC	Distribution Workgroup standard Agenda

Action Table (as at 28 May 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	23/04/20		CDSP (DA/ER) to clarify the new CDSP charging structure with a view to having them made visible as part of the development of this Modification.	CDSP (DA/ER)	Carried Forward
0402	23/04/20		RP to incorporate Workgroup discussions [on governance] into a subsequent version of the Modification.	WWU (RP)	Closed
0501	28/05/20	2.0	Joint Office (AR) to update the Workgroup Report to ask UNC Panel to reconsider the governance for this Modification.	Joint Office (AR)	Pending
0502	28/05/20	3.0	RP to consider the minor points of clarification of the Legal Text raised at this meeting and to prepare for a legal text finalisation Q&A session at the next meeting in June 2020.	WWU (RP)	Pending
0503	28/05/20	3.0	All Workgroup to review the Legal Text provided and published here: www.gasgovernance.co.uk/0710/ .	All	Pending