

**UNC Workgroup 0730 Minutes  
COVID-19 Capacity Retention Process  
Thursday 24 September 2020  
via Microsoft Teams**

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
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/0730/240920](http://www.gasgovernance.co.uk/0730/240920)

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 October 2020.

## 1.0 Introduction

### 1.1. Approval of Minutes

The minutes from 27 August 2020 were agreed.

### 1.2. Approval of Late Papers

There were no late papers for approval.

### 1.3. Review of Outstanding Actions

**Action 0801:** Xoserve (DA) to create set of rules/assumptions that can be used to identify those sites isolated under urgent Modification 0723 and report back results at the September meeting.

**Update:** An update was provided **Closed**

**Action 0802:** Consider additional workgroup meeting once results from action 0801 (identification of isolated sites under 0723) have been produced.

**Update:** Additional meeting arranged for 01 October 2020 starting at 2pm.

## 2.0 Consideration of Modification

### 2.1. Issues and Questions from Panel

#### 2.1.1. Choice of Isolation Flag and how the Isolation Flag can be identified from a COVID perspective.

This was discussed as part of the August 2020 Workgroup meeting.

## 3.0 Review of Legal Text

KE shared the proposed legal text relating to Transition Document Part VI – Temporary Measures, where Tracey Saunders explained how the 50% discount would be reflected in a new paragraph 3.7 and is as follows:

- 3.7** *Where a Relevant Supply Meter Point is deemed Isolated in accordance with this paragraph 3 the Registered User shall only be required to pay fifty per cent (50%) of the LDZ Capacity Charge in respect of the Relevant Supply Meter Point for each Day in the period:*
- (a) *commencing, where the Relevant Supply Meter Point was deemed Isolated;*
    - (i) *on a date earlier than the date on which the Code Modification referred to as Modification 0730 was implemented ("implementation date"), on the implementation date;*
    - (ii) *on or after the implementation date, on such date;*
  - (b) *ending on the date the Relevant Supply Meter Point ceases to be Isolated in accordance with paragraph 3.5.*

DA mentioned that he is happy with the suggested legal text. He clarified that CDSP will charge 100% of the LDZ capacity charge, and then rebate 50% of the capacity charge, with this in mind he asked if the rebate would be expected to be within the same invoice month?

The legal text wording says 'shall only be required to pay 50%' suggests it is done within the same month, (the same invoice).

TS explained that the end result is 50% but it is not time bound.

RP suggested the wording needs clarification, to explain that the charge and then subsequent rebate could be in different months and that there could be challenges based on the proposed wording "*the Registered User shall only be required to pay fifty per cent (50%) of the LDZ Capacity Charge*".

PL advised that he has been involved in a similar scenario whereby the suggested rebate was stipulated in UNC (50%) but with no reference no reference to dates or time periods.

It was agreed that paragraph 3.7 requires rewording so that it does not imply the refund will occur within the same month.

RP suggested that TPD Section S – Invoicing and Payment, may need to be looked at to ensure there are no consequences on over charging.

#### 4.0 Development of Workgroup Report

KE confirmed that the Workgroup Report is due to be presented to the 15 October Panel meeting. As part of the consideration and completion of the Workgroup Report, the following areas were discussed:

##### Reference Documents

Reference to UNC TPD Section S needs to be included.

##### Solution

It was agreed that the solution requires an amendment to the to be in line with the newly agreed wording in the legal text.

##### Cross Code Impacts

GE agreed to liaise with IGT to clarify if there is a cross code impact.

##### Relevant objectives

It was identified that the Relevant Objectives need updating, the impacted objectives listed identified c) yet the evidence referred to a) and d).

The Charging Relevant Objectives require no amendment.

David O'Neill (DON) raised the following points:

1. DON asked if the Modification only applies to completely isolated sites (ie if there is a big COVID-19 related demand reduction will that user benefit from this mod)? GE confirmed this was the case – it only applies to completely isolated sites.
2. DON asked, given some concern expressed about this sterilising capacity, if any thought had been given to a Network Charge Deferral approach at supply points (given there was still a lot of headroom as there had not been much take-up of 726).?
3. DON asked if this Modification has a retrospective element (i.e. will it discount capacity charges paid in the past)? It was explained that according to business rule 4, it will not

GE advised that only sites that have been isolated under Modification 0723 are affected by this modification and clarified that Business Rule 1, within the solution for this modification refers to all sites that are specifically related to *Modification 0723 (Urgent) - Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period.*

##### Rough Order of Magnitude (ROM) Assessment

It was confirmed that a ROM is not required.

Workgroup discussion concluded that, for reasons of criticality for the current pandemic, the sooner this modification is implemented the sooner those that need the relief will get it. It was agreed that an extra meeting to review the amended Legal Text and amended Modification is preferable than requesting a further month extension at UNC Panel on 15 October 2020.

An invitation and an agenda has been published for Thursday 01 October 2020 at 2pm.

DON asked if Modification 0723 is future proofed or will future lockdowns need a new modification?

TS clarified that Modification 0723 is future proofed, this can be seen in the clause in general terms C and that lawyers are currently looking at that. It was confirmed that 0730 would also be future proofed.

RP there should not be many sites still isolated under Modification 0723

TS confirmed she is working with Xoserve to complete an exercise to identify valid isolations under Modification 0723.

DA clarified Xoserve have the data sets, and he is looking to get that report out within the next week.

## 5.0 Next Steps

KE confirmed that Workgroup will consider the revised Legal Text and amended Modification at the extra meeting being held on Thursday 01 October 2020.

The Workgroup Report will then be completed and submitted to UNC Panel on 15 October 2020.

## 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](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Venue	Programme
Thursday 01 October 2020 2pm	Teleconference	<ul style="list-style-type: none"> <li>Review amended Legal Text</li> <li>Review amended Modification</li> <li>Complete Workgroup Report</li> </ul>

Action Table (as at 24 September 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0801</b>	27/08/20	2.1.1	Xoserve (DA) to create set of rules/assumptions that can be used to identify those sites isolated under urgent Modification 0723 and report back results at the September meeting.	CDSP (DA)	<b>Closed</b>
<b>0802</b>	27/08/20	5.0	Consider additional workgroup meeting once results from action 0801 (identification of isolated sites under 0723) have been produced.	Joint Office (KE)	<b>Closed</b>