

UNC Workgroup 0736A Minutes
Clarificatory change to the AQ amendment process within TPD G2.3
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: <https://www.gasgovernance.co.uk/0736/240920>

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

1.0 Outline of Modification

Steve Mulinganie (SM) introduced the modification as an alternative to Modification 0736 with the addition of Business Rule 4 adding a retrospective element from 01 April 2020.

SM confirmed that the amendments to Modification 0736 addressing the definition of grouping will be reflected in this modification.

Rose Kimber (RK) sought clarification on the retrospective element and asked what the reason for the date being 01 April 2020, adding there is potential that this reason code could have been utilised previous to 01 April 2020.

GE advised that reversing changes to AQ amendments outside of the current gas year has wider impacts on both the fixed and rolling AQs.

KD highlighted that Modification 0736 is Self-governance but the alternative is Authority Direction, and asked should they both be the same? It was clarified that Modification 0736 will also follow the Authority Direction route. Due to the impact on the solutions, AC recognised the implementation will not be as quick as originally intended

SM agreed to add into Modification 0736A an explanation for adding the retrospection element.

New Action 0901: SM to add clarification in the Modification around what is meant by retrospection and what adjustments are expected.

DA explained that he is anticipating that CDSP would be issuing an adjustment that would take the charging back, as if to reverse the AQ correction. He had not anticipated reversal of energy balancing position/UIG etc.

GE advised he is not anticipating a need for a full system solution for that one off activity. DA explained the AQ would apply for the period prior to the reversal, and therefore Reconciliation would not be affected.

DON made the observation that as this modification is retrospective and is for Authority Direction it will slow the process compared to the Self Governance approach proposed for the base 736 modification. This may be in conflict with the industry's desire to move quickly on this (see the minute of the 736 meeting).

Chris Hooper (CH) raised two points:

1. If this modification addresses the incorrect use / interpretation of reason code 3 and allows for retrospective amendments / reversals then the 01 April 2020 date may not be appropriate and an earlier date, back to the last change, should be considered.
2. If code is incorrect, the code has previously been agreed and backdating sets a dangerous precedent, for that reason. CH agrees with the original version of this modification, Modification 0736.

CH requested for an impact assessment if the retrospection went beyond 01 April 2020. However, SM advised that the 01 April 2020 date will remain within his Modification, if a different date is required, a further alternative would need to be raised.

DA anticipates the data is in UKLink and that CDSP could identify the obvious changes within group. This would show the AQ changes and that are associated with reason code 3.

New action 0902: CDSP (DA) to look at AQ amendments from Nexus implementation date.

PL suggested that the proposer makes it clear what aspects are in scope and what are not in terms of the retrospection element.

DON asked if the Draft Modification Report would include, in terms of the retrospection element, who and how they are affected.

SM confirmed the Modification itself identifies the impacted party; this can also be found in the Cadent presentation. All information is available in link in the modification.

In summary, KE confirmed that:

- the modification will require expanding in terms of the definitions of grouping and affiliate;
- analysis for code 2 and 4 impacts will be completed;
- SM is to add clarification around what is meant by retrospection and what adjustments are expected.

Kirsty Dudley (KD) asked if there is any IGT assessment required. SM advised he will discuss with Anne Jackson (IGT) and address this for both Modifications.

New Action 0903: Gazprom Energy (SM) to liaise with IGT to consider if there is an IGT impact with Modification 0736 and 0736A.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

None raised.

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/mods

3.0 Next Steps

KE confirmed that:

- the modification will require expanding in terms of the definitions of grouping and affiliate;
- analysis for code 2 and 4 impacts will be completed;
- SM is to add clarification around what is meant by retrospection and what adjustments are expected.

4.0 Any Other Business

None.

5.0 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
Thursday 22 October 2020	Teleconference	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules • Consideration of Wider Industry Impacts • Consideration of Legal Text • Development of Workgroup Report
Thursday 26 November 2020	Teleconference	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification • Review of Legal Text • Completion of Workgroup Report

Action Table (as at 24 September 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	24/09/20	1.0	SM to add clarification in the Modification around what is meant by retrospection and what adjustments are expected.	Gazprom Energy (SM)	Pending
0902	24/09/20	1.0	CDSP (DA) to look at AQ amendments from Nexus implementation date	CDSP (DA)	Pending
0903	24/09/20	1.0	Gazprom Energy (SM) to liaise with IGT to consider if there is an IGT impact with Modification 0736 and 0736A	Gazprom Energy (SM)	Pending