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| UNC Workgroup Report | At what stage is this document in the process? |
| UNC 0875S:  Minor amendment to the Vacant Site exit process & 0819 Legal Text re-numbering |  |
| **Purpose of Modification:**  This Modification seeks to:   1. Make a minor amendment to the Vacant Site exit process when the exit criteria trigger is ‘Class Change is submitted’ or ‘Isolation request’. 2. Revise the 0819 Legal Text numbering post Modification 0816 implementation. | |
| **Next Steps:**  The Workgroup recommends that this Modification should be subject to Self-Governance.  The Workgroup asks Panel to agree that this Self-Governance Modification should proceed to consultation.  The Panel will consider this Workgroup Report on 18 July 2024. The Panel will consider the recommendations and determine the appropriate next steps. | |
| **Impacted Parties:**  High: Shippers and Suppliers  Low: Distribution Network Operators, Independent Gas Transporters and Consumers  None: NTS | |
| **Impacted Codes:** | |

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| Contents  1 Summary 3  2 Governance 3  3 Why Change? 4  4 Code Specific Matters 4  5 Solution 5  6 Impacts & Other Considerations 5  7 Relevant Objectives 8  8 Implementation 10  9 Legal Text 10  10 Recommendations 11  11 Appended Representations 11  Timetable   |  |  | | --- | --- | | **Modification timetable:** | | | Pre-Modification Discussed | 28 March 2024 | | Date Modification Raised | 05 April 2024 | | New Modification to be considered by Panel | 18 April 2024 | | First Workgroup Meeting | 25 April 2024 | | Workgroup Report to be presented to Panel | 18 July 2024 | | Draft Modification Report issued for consultation | 19 July 2024 | | Consultation Close-out for representations | 01 August 2024 | | Final Modification Report available for Panel | 07 August 2024 | | Modification Panel decision | 15 August 2024 | | **Any questions?** |
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**[Update version number and date in footer – likely to be v1.0 and workgroup date (27 June)]**

Summary

#### What

Following the Ofgem approval of [Modification 0819 - Establishing/Amending a Gas Vacant Site Process](https://www.gasgovernance.co.uk/0819/), the design work to implement the Vacant Site process under the DSC has been progressing. As a result of the detailed design work, a couple of scenarios have been identified within the current legal text for Modification 0819 which we believe need to be amended slightly to ensure the intention of Modification 0819 is met.

As a result, this Modification proposes a minor amendment to the Vacant Site exit process when the exit criteria trigger ‘Class Change is submitted’ or ‘Isolation request’ is made.

It also seeks to update the legal text numbering for Modification 0819 post [Modification 0816 - Update to AQ Correction Processes](https://www.gasgovernance.co.uk/0816) implementation which impacts the same part of UNC.

#### Why

**Modification 0819 highlighted ‘Business Rules’ below:**

**Business Rule 1:** A Vacant Site must be ‘Product Class 4 Non-Daily Metered (NDM)’ Supply Meter Point.

**Business Rule 5 - Exit Criteria:** A site will trigger the removal from Vacant for several reasons, including a ‘Class Change’ being submitted and a ‘Isolation request being submitted’.

**Business Rule 7 - Vacant status removal**: In the event that the SMP has an AQ of 1, Business Rule 7 will apply, and the Vacant Status will be removed by the CDSP in line with the updated AQ. (For the avoidance of doubt, the Shipper is obligated to update the AQ by M-15 supply point system business days the following month of the exit trigger)

**Based on the points above outlining part of the Business Rule Criteria as a result of Modification 0819 the following contradictions of the Business Rules have been highlighted as being possible:**

* If the SMP has an AQ of more than 1, the SMP will immediately cease to be vacant. In this scenario, the Business Rules work as expected.
* In the scenario where the AQ of a Vacant Site has been reduced to 1, the extended exit process outlined in Business Rule 7 applies.
* The extended exit process means a couple of temporary scenarios can occur:
  + An SMP is at Vacant Status but is no longer Class 4;
  + An SMP is at Vacant Status whilst also simultaneously being Isolated.
* Both of these temporary scenarios contradict the original intent of Modification 0819 and need to be rectified.

**Re-numbering of Legal Text:**

Modification 0819 amends TPD Section G: Clause 2.3.21, Clause 2.3.23 and Clause 2.3.27. These sections of the Uniform Network Code were updated when Modification 0816 went live on the 24 February 2024. As a result, the legal text numbering for Modification 0819 needs to be updated to reflect the latest version of UNC post-Modification 0816 implementation.

#### How

**How to resolve the temporary scenarios:**

To prevent an instance where a Vacant Site is anything other than Class 4, this Modification seeks to amend 0819 legal text to state that the ‘Class Change Effective Date’ will also be the ‘Vacant Status Removal Date’.

To prevent an instance where a Vacant Site is also Isolated, this Modification seeks to amend 0819 legal text to state that the date the Supply Point Register is amended to record the Supply Meter Point is Isolated will also be the ‘Vacant Status Removal Date’.

These minor amendments avoid a contradiction in UNC where an SMP is at Vacant Status but not in Class 4 or an SMP is at Vacant Status and Isolated.

To confirm, the Shipper will **retain** the ‘extended exit period’ – for both of the above exit criteria – in order to raise the AQ correction required to increase the AQ from 1.

**Re-numbering of Legal Text:**

The legal text for Modification 0819 (as published on 28 September 2023) requires updating post the UNC changes made to facilitate Modification 0816 (which went live on 24February 2024).

Modification 0819 legal text must be revised using the latest published version of TPD Section G Clause 2.3.21, Clause 2.3.23 and Clause 2.3.27.

The amended legal text requested under this Modification will be required prior to the implementation of Modification 0819.

Governance

#### Justification for Self-Governance

Self-Governance is proposed for this Modification, as the amendments are not material changes and have been raised to ensure Modification 0819 is implemented and delivered as intended.

To confirm, this Modification:

(i) is unlikely to have a material effect on:

(aa) existing or future gas consumers; and

(bb) competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes; and

(cc) the operation of one or more pipe-line system(s); and

(dd) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

(ee) the uniform network code governance procedures or the network code modification procedures; and

(ii) is unlikely to discriminate between different classes of parties to the uniform network code/relevant gas transporters, gas shippers or DN operators.

#### Requested Next Steps

This Modification should:

* be considered a non-material change and subject to Self-Governance.

Approval of this Modification is required ahead of Modification 0819 implementation which is currently scoped for the November 2024 UK Link release (exact date to be confirmed).

#### Workgroup’s Assessment

[The Workgroup agreed with the Proposer's assessment that the Modification meets the Self-Governance criteria.]

Why Change?

**First case for change:**

It has been identified that the Business Rules and draft legal text for Modification 0819 which was published on 28 September 2023, contains obligations which cannot both be in place concurrently.

To indicate what this Modification thinks needs to change in the Modification 0819 legal text, the below tables have been created:





To rectify this, it is proposed that an additional ‘relevant date’ be added to TPD G 10.4.3 for the exit criteria: Class Change and Isolation request. This ‘relevant date’ would be the Class Change Effective Date and the date the Supply Point Register is amended to record the Supply Meter Point is Isolated.

The Shipper must still have the ability to raise an AQ correction until “the date which is fifteen (15) Supply Points System Business Days prior to the end of the month following the month in which the Cessation Event occurred” as called out in TPD G 10.4.5 b).

**Second case for change:**

The below table has been created as part of this Modification to indicate what needs to be re-numbered in the Modification 0819 legal text Section G due to Modification 0816 going live in February 2024.



Code Specific Matters

#### Reference Documents

#### TPD Section G and Section V <https://www.gasgovernance.co.uk/TPD>

0819 Final Modification Report (18 December 2023) published <https://www.gasgovernance.co.uk/0819>

Vacant Site Guidance Document (within Final Modification Report 0819 referenced above) published <https://www.gasgovernance.co.uk/0819>

#### Modification 0819 Legal Text (28 September 2023) published https://www.gasgovernance.co.uk/0819

#### Knowledge/Skills

Possible awareness of Modification 0819 discussions.

Solution

**Business Rule 1: Vacant status removal – Capacity Relief**

*Proposed amendment to Business Rule 7 from Modification 0819*

* ***Black text*** *original text from Mod 0819.*
* ***Red text*** *is tracked changes for this Modification.*

1. Where the Registered User triggers the exit from the process via an AQ amendment (AQ correction), the Vacant status will be removed by the CDSP in line with the updated AQ (as per the correction request), becoming effective. For the avoidance of doubt this will be effective in line with the existing AQ amendment timelines. For the avoidance of doubt, this exit criteria could be triggered by submission of an “eligible cause” as per TPD G 2.3.21 and where a change in AQ is submitted due to read tolerance as per TPD G 2.3.22.
2. For the other exit triggers (CoS, SoLR, ~~Class Change~~, Read or .JOB submitted), the Registered User will have until M-15 Supply Point System Business Days (SPSBDs) the following month of the trigger, to amend the AQ (via the AQ amendment process) to the accurate usage. The Vacant status will be removed by the CDSP in line with the updated AQ (as per the correction request) becoming effective. For the avoidance of doubt, this will be effective in line with the existing AQ amendment timelines.
3. For the other exit triggers (Class Change & Isolation request), the Registered User will have until M-15 Supply Point System Business Days (SPSBDs) the following month of the trigger, to amend the AQ (via the AQ amendment process) to the accurate usage. The Vacant status will be removed by the CDSP in line with the Class Change Effective Date or the date the Supply Point Register is amended to record the Supply Meter Point is Isolated.

d) In the absence of the Registered User amending the AQ as per the above timeline, the CDSP will reinstate the pre-Vacant Rolling and Formula Year AQ (FYAQ). The Vacant status will be removed by the CDSP in line with the pre-Vacant Rolling and FYAQ becoming effective. For the avoidance of doubt, where the CDSP reinstate the pre-Vacant Rolling and FYAQ between the months January – March, the reinstated value will be utilised to set the FYAQ for the next 12 months commencing in April. Further for the avoidance of doubt, the reinstated pre-vacant AQ will be subject to existing AQ correction backstop rules. This means following the point the CDSP reinstate the pre-Vacant AQ, the AQ should remain at this estimate and the next AQ Calculation Month shall be the first month in relation to which a Qualification Meter Reading, with a Read Date not less than 9 months from the reinstated pre-Vacant AQ is submitted.

**Business Rule 2:**

1. To renumber the legal text for Modification 0819 based on the latest version of TPD Section G since Modification 0816 was implemented on 24th February 2024. The anticipated amendments required are captured in the table created for this Modification below:



For the avoidance of doubt, the above amendments are the proposer’s understanding of the required changes that are needed to bring the Modification 0819 legal text in line with the live TPD Section G. The legal text provider may find other legal text revisions that are required, and these should also be incorporated.

Impacts & Other Considerations

#### Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No impacts identified.

#### Consumer Impacts

None identified.

This Modification is to ensure that Modification 0819 is implemented in line with intentions. Please note, this proposal does not change any of the agreed Consumer Impacts as discussed under Modification 0819.

Verify: Workgroup agrees with the statements above from the Proposer.

#### What is the current consumer experience and what would the new consumer experience be?

|  |  |
| --- | --- |
| Impact of the change on Consumer Benefit Areas: | |
| Area | Identified impact |
| Improved safety and reliability | None |
| Lower bills than would otherwise be the case | None |
| Reduced environmental damage | None |
| Improved quality of service | None |
| Benefits for society as a whole | None |

**Performance Assurance Considerations**

None.

Modification 0819 has already covered the requirement for a new PARR report which will be available for PAC to monitor the Vacant Site process.

#### Cross-Code Impacts

None.

The changes proposed in this Modification do not impact IGT 168 which was raised to ensure the Vacant Site Process can apply to IGT Supply Meter Points.

IGT 168 added a reference to the IGT UNC Section CI Supply Points which points to UNC TPD Section G10. Any amendments under this Modification to UNC TPD G10 will automatically apply to IGT sites because of this.

IGT UNC Section CI also contains a reference to the ‘Vacant Site Guidance Document’ which is a UNC-related document. A definition of the ‘Vacant Site Guidance Document’ is also found in IGT UNC Section M Definitions. Any changes to the ‘Vacant Site Guidance Document’ will automatically apply to IGT sites as this document is already referenced in IGT UNC.

Nothing in this Modification proposes changing anything already in IGT UNC Section CI or M.

[The Workgroup agreed with the Proposer’s view that there are no cross-code impacts.]

#### EU Code Impacts

None.

#### Central Systems Impacts

There are Central System impacts as a result of this Modification. Business Rule 1 will need to be incorporated into the development and design of the Modification 0819 solution. To confirm, this will be captured under the DSC Change Proposal [XRN 5615](https://gasgov.sharepoint.com/sites/JOTechTeam/Modifications/0851%20-%200900/D4%20April%20%5b0875%5d%20Minor%20amendment%20to%20the%20Vacant%20Site%20exit%20process%20&%200819%20Legal%20Text%20re-numbering/XRN%205615) which has been raised to deliver Modification 0819.

Based on this, Modification 0819 and this Modification need to be implemented at the same time.

A presentation explaining the original intent of 0819 including diagrams explaining the End-to-End Process Flow was shared at the April Workgroup meeting. This presentation has been included below to provide further context and to aid understanding:

**Figure 1: CDSP slides from April meeting:**

A white card with blue text

Description automatically generated

A diagram of a process

Description automatically generated with medium confidence

A screenshot of a computer screen

Description automatically generated

A diagram of a company

Description automatically generated

A screenshot of a computer screen

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

N/A.

[The system changes to implement Modification 0819 are progressing through XRN 5615 which is already in DSC development and is scheduled for November-24 Release. Assuming that Modification 0875 is approved, the CDSP will implement the changes required under Modification 0875S within XRN 5615 and within the same Release.]

**Initial Representations**

None Received**.**

#### Panel Questions

None Received.

#### Workgroup Impact Assessment

The Modification was discussed at the following Workgroup meetings:

* <https://www.gasgovernance.co.uk/0875/250424>
* <https://www.gasgovernance.co.uk/0875/230524>
* https://www.gasgovernance.co.uk/0875/270624

**April Workgroup Meeting (24 April 2024)**

The CDSP provided an overview of the Modification, explaining that following Ofgem’s approval of Modification 0819, the design work to implement the Vacant Site process under the DSC has been progressing through XRN5615. As a result of the detailed design work, a couple of scenarios have been identified within the current legal text for Modification 0819 which need to be amended slightly to ensure the intention of Modification 0819 is met.

The CDSP noted that Modification 0819 is scheduled for a November 2024 Release and that ideally Modification 0875 would be approved before that date as well. If approved in time, Modification 0875 will be included in the same Release.

The CDSP also shared a presentation explaining what the original intent of Modification 0819 was and included diagrams explaining the End-to-End Process Flow. A Workgroup participant noted that the diagram in the presentation shared in the meeting was very useful in explaining that the Modification is looking to remove an unintended loophole from the process and asked that the presentation be included within the Workgroup Report to aid understanding and to address concerns about whether this is a housekeeping Modification.

The Workgroup also discussed the proposed Business Rules. A Workgroup participant queried whether ‘Request for Isolation’ is a defined term as it is capitalised within the Business Rules. The CDSP agreed to check and confirm whether ‘Request for Isolation’ is a defined term and whether an updated version of the Modification is required as a consequence.

A Workgroup participant noted that Modification 0819 and Modification 0875 are not being linked. The Proposer explained that Modification 0819 contains a scenario that is being fixed with an amendment with this Modification, however, this should not stop Modification 0819 from being implemented. Cadent (as Legal Text Provider) advised that they would not have been able to implement Modification 0819 without raising another Modification, so the two Modifications (0819 and 0875) are linked in that sense.

The Workgroup then discussed the timeline for Legal Text. The Cadent representative noted that the intention was to provide a draft of the Legal Text for the next Workgroup, noting that an implementation date for Modification 0819 cannot be fixed until this Modification has progressed as both Modifications need to be given the same implementation date.

**May Workgroup Meeting (24 May 2024)**

The CDSP presented an updated version of the Modification to the Workgroup, noting that following feedback at the April Workgroup meeting, instances of ‘Request for Isolation’ had been replaced with ‘Isolation Request’, and that all references to ‘Isolated Status’ have been removed and have been re-drafted to state ‘Isolated’ only. These amendments were made throughout the Modification.

Cadent, along with the CDSP, then provided an overview of the draft Legal Text to the Workgroup. Workgroup participants did not submit any opinion on the draft Legal Text beyond 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.

The Chair took an action to determine the feasibility of presenting the Workgroup Report to the Panel a month early and without formal Workgroup review.

**June Workgroup Meeting (27 June 2024)**

[Add summary of June Workgroup discussions.]

[The Workgroup reviewed some minor amendments to the Modification:

* The term ‘Supply Meter Point’ is now capitalised in all instances throughout the document to ensure consistency.
* The term ‘Supply Meter Register’ has been amended to ‘Supply Point Register’.]

[The Workgroup also discussed the possibility of expediting the Modification given its non-contentious nature, noting that a recommendation for a shortened consultation period of 10-days would allow the Final Modification Report to go to Panel for decision at the August Panel meeting, rather than the September meeting, as originally planned.]

[The Workgroup reviewed the Workgroup Report and were satisfied that is provided an accurate reflection of Workgroup discussions.]

Relevant Objectives

|  |  |
| --- | --- |
| Impact of the Modification on the Transporters’ Relevant Objectives: | |
| Relevant Objective | Identified impact |
| a) Efficient and economic operation of the pipe-line system. | None |
| b) Coordinated, efficient and economic operation of  (i) the combined pipe-line system, and/ or  (ii) the pipe-line system of one or more other relevant gas transporters. | None |
| c) Efficient discharge of the licensee's obligations. | None |
| d) Securing of effective competition:  (i) between relevant shippers;  (ii) between relevant suppliers; and/or  (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers. | None |
| e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards… are satisfied as respects the availability of gas to their domestic customers. | None |
| f) Promotion of efficiency in the implementation and administration of the Code. | Positive |
| g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators. | None |

The Modification furthers Relevant Objective (f) as follows:

F) Promotion of efficiency in the implementation and administration of the Code

As it will bring the legal text of Modification 0819 in line with revisions made due to Modification 0816 and ensure that 0819 can be implemented and delivered as intended.

#### Workgroup Assessment of Relevant Objectives

[Workgroup participants agreed with the Proposer’s assessment above in relation to Relevant Objective f).]

Implementation

Modification 0819 implementation date is anticipated to be in line with the November 2024 UK Link release (exact date to be confirmed). As this Modification ensures Modification 0819 legal text delivers the intent of the Modification, it is proposed that implementation aligns with Modification 0819.

[Workgroup participants agreed that the implementation date and the system change (release) date of Modification 0875S should be aligned with the release of Modification 0819 to ensure the intention of Modification 0819 is met.]

Legal Text

Legal Text has been provided by Cadent and is published (in draft) alongside this report: (better to link to page rather than a document – document links can change whereas page links should not

https://www.gasgovernance.co.uk/0875 ~~[0875S Legal Text (28 May 2024](https://www.gasgovernance.co.uk/dl-mod-attachment/cd2588de-f5e8-4d33-9456-398064cc520c)).~~

An Explanatory Table was also provided.

**Explanatory Table**

|  |  |
| --- | --- |
| **Reference** | **Explanation** |
| **TRANSPORTATION PRINCIPAL DOCUMENT** | - |
| **SECTION G - SUPPLY POINTS** | - |
| Amended paragraph 2.3.21 | Updated cross-reference following Modification 0816 implementation. |
| Amended paragraph 2.3.24 | Updated cross reference following Modification 0816 implementation. |
| Amended paragraph 2.3.27 | Updated cross reference following Modification 0816 implementation. |
| Amended paragraph 10.4.1 | Updated cross reference following Modification 0816 implementation. |
| Amended paragraph 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. |
| Amended paragraph 10.4.4 | To amend 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. |
| Amended paragraph 10.4.5 | Updated cross reference following Modification 0816 implementation. |
| Amended paragraph 10.4.6 | Updated cross reference following Modification 0816 implementation. |
| New paragraph 10.4.7 | To provide 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. |

#### Workgroup Assessment

The Workgroup considered the Legal Text at the 23 May Workgroup meeting and is satisfied that it meets the intent of the Solution.

Recommendations

#### Workgroup’s Recommendation to Panel

The Workgroup asks Panel to agree that this Self-Governance Modification should proceed to consultation, with a shortened consultation period of, for example, 10 days to reflect the non-contentious nature of the Modification. A shortened consultation period will allow Panel to consider the FMR one month after it has considered the DMR and thus could speed up the decision-making timeline.

Appended Representations

Initial Representations – None