

Joint Office of Gas Transporters

January 2020 NEWSLETTER

Welcome to the Joint Office of Gas Transporters Newsletter, we hope you find this a useful addition to your inbox. It is issued on a monthly basis and is intended to provide an overview of what is happening across the Uniform Network Code (UNC) governance arena. In this Newsletter, we have provided an overview of progress across everything we do, please refer to the Table of Contents below.

At A Glance....

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Meet the Joint Office of Gas Transporters Team.

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Implementation Dates

UNC Ref	Title	Date
0682	Market Participant MDD Migration to UNC Governance from the SPAA	28 February 2020
0651	Changes to the Retrospective Data Update provisions	to be determined
0681S	Improvements to the quality of the Conversion Factor values held on the Supply Point Register	to be determined
0692S	Automatic updates to Meter Read Frequency	to be determined

New Modifications discussed at December Panel

<p>New Modification 0712S - Amending the oxygen content limit in the Network Entry Agreement (NEA) at the St Fergus SAGE plant http://www.gasgovernance.co.uk/0712</p>	<ul style="list-style-type: none"> ▪ This Modification will follow self-governance procedures. ▪ This Modification will be considered within the Transmission Workgroup on 09 January 2020. ▪ Initial representations for consideration at Workgroup are requested no later than 14 January 2020. ▪ Workgroup report to be presented by 21 May 2020 Modification Panel.
<p>New Modification 0713S - Amendments to TPD V3.1.7 Independent Assessment table http://www.gasgovernance.co.uk/0713</p>	<ul style="list-style-type: none"> ▪ This Modification will follow self-governance procedures. ▪ This Modification will be considered within the Transmission and Distribution Workgroups on 09 January and 23 January 2020 respectively. ▪ Initial representations for consideration at Workgroup are requested no later than 14 January 2020. ▪ Workgroup report to be presented by 16 April 2020 Modification Panel.

Existing Modifications for Reconsideration discussed at December 2019 Panel

<p>Request 0706R - Instances where Shippers can exit commercial agreements with an independent Supplier http://www.gasgovernance.co.uk/0706</p>	<ul style="list-style-type: none"> ▪ A new standalone Request Workgroup will be established. The date of the first meeting will be confirmed shortly. ▪ Initial representations for consideration at Workgroup are requested no later than 18 June 2020. ▪ Workgroup report to be presented to the 18 June 2020 Modification Panel.
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Workgroup Reports discussed at December 2019 Panel

0690S - Reduce qualifying period for Class 1
<http://www.gasgovernance.co.uk/0690>

- Issued to Consultation which closes on 24 January 2020.
- Panel requested Legal Text.
- The Final Modification Report will be presented to the 20 February 2020 Modification Panel.

Final Modification Reports discussed at December 2019 Panel

0680VS - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union
<http://www.gasgovernance.co.uk/0680>

- Deferred for further consideration at the 20 February 2020 Panel.

0692S - Automatic updates to Meter Read Frequency
<http://www.gasgovernance.co.uk/0692>

- No new issues were identified.
- Panel recommended 0692S was suitable for implementation by majority vote.
- Modification to be implemented on a date to be confirmed.
- Deadline for appeals is 14 January 2020.
- Post Meeting Note: This Proposal is now the subject of an appeal and will be returning to the January Panel for reconsideration.

Distribution Workgroup Headlines

www.gasgovernance.co.uk/dist

At the meeting on 17 December 2019 the following items were discussed/progressed:

- **0696** – *Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs*

The Modification has been resubmitted to Workgroup for further consideration following Ofgem's "send-back" letter requesting more analysis as to why the issue has arisen by referencing the current arrangements in the Code.

Discussion at the December meeting centred of how the refunds would be administered, with general agreement that this would be managed via a manual refund type process and how, in the event of a ratchet at a site captured in the remit of the proposal, capacity ratchets and ratchet charges would be administered.

- **0697S** – *Alignment of the UNC TPD Section V5 and the Data Permissions Matrix (DPM)*

This Proposal was not discussed at the December Workgroup – December 2019 update retained. Development continued to rationalise the permissions established in UNC Section V5 and given effect at data item level in the DPM.

It was also confirmed that the Citizens Advice Bureau, (& CAB Scotland), would be included in the Data Permissions Matrix, as they are the legally authorised body to handle customer energy complaints.

It was confirmed that Performance Assurance Framework Administrator, (PAFA), data access aspect of this Modification has been raised as stand-alone proposal, (Modification 0707S).

- **0699 - Incentivise Key Areas of Performance using additional UIG Charges:**

This Proposal was not discussed at the December Workgroup – December 2019 update retained. The version of the proposal reviewed at this meeting has had all charging elements removed with a statement from the proposer that these would now be set out in a UNC related document and discussed at a future meeting. Also discussed during this item was an “alternative” approach to the charging elements of the original version of Modification 0699. Proposed by Centrica.

- **0701 – Aligning Capacity booking under the UNC and arrangements set out in the relevant NExAs**

Version 2 of the proposal was introduced which provided improved clarity of the business rules setting out:

How UNC capacity requests and bookings would be processed giving due consideration to, where applicable, NExA values: and, what system changes would be required to increase the visibility of NExA data on Date Enquiry Service (DES).

- **0702S – Introducing ‘Research Body’ as a new User type to the Data Permissions Matrix and UNC TPD Section V5**

Discussion of this proposal centred around establishing a definition of “research Body”, for the purposes of the UNC and, for the purposes of DSC, a review of questionnaire a “Research Body” would be expected to satisfactorily complete before access to an approved data set would be granted.

- **0704S – Review of Transporter Theft Reporting (New to Distribution Workgroup)**

This Proposal was not discussed at the December Workgroup – December 2019 update retained. This proposal was raised following a joint SPAA / UNC review group investigating Shipper and Supplier Theft of Gas Reporting Arrangements (0677R) and will concentrate on rationalising the reporting arrangements with reference to the Transporters’ existing Regulatory Reporting pack and setting them out in the UNC. The proposal was briefly discussed in an amended form and the next step will be to review the legal text at the January 2020 Distribution Workgroup.

- **0707S – Introducing ‘Performance Assurance Framework Administrator’ as a new User type to the Data Permissions Matrix**

Further discussion took place regarding how the existing PAFA Reporting arrangements, (specified in the Performance Assurance Report Register, (PARR), and the new arrangements to be delivered via Xoserve’s Data Discovery Platform, (DDP), which would be accessed by permissions established and documented in the Data Permissions Matrix, (DPM), would work in practice.

Reader Note: This proposal is required because all new User types added to the DPM must follow UNC governance, although the individual data items that the new User would be able to see are controlled through Data Services Contract, (DSC) governance.

- **0710 – CDSP provision of Class 1 read service**

This Proposal was not discussed at the December Workgroup – December 2019 update retained. This Modification was raised as a follow up to Review Group 0694 and looks to establish the arrangements for transferring Daily Metered (DM) (Class 1) read provision from each DNO to Xoserve. Even though the proposal seeks to simply novate existing contracts to Xoserve, there was some debate around the best time of year to implement the transfer, with a general view that Summer 2020 would be the most appropriate time.

- **0711S – Update of AUG Table to reflect new EUC bands**

This proposal has been raised to align the Allocation of Unidentified Gas (AUG) Table in Uniform Network Code (UNC) with revisions to EUC bands related to a change to the DSC XRN 4665.

Discussion at the December meeting was limited to implementation issues, principally changes required to Gemini to give the new table effect and to which Gas Year the new table should apply.

Other Matters Discussed:

- **Review of Modification 0700 (Urgent) Enabling large scale utilisation of Class 3 & associated legal text**

Xoserve reported that the Class 3 population is now 3 million Supply Meter Points.

- UNC Section G1.6.14 - AQ calculation for New Supply Meter Points**

Xoserve highlighted an issue regarding the calculation of AQs of new Meter points, and that while the process being used by UK-Link was consistent with the UNC, there were options to improve the calculation method and an investigative piece of analysis was commissioned to look at refining the calculation.

- Amendment to TPD V3.1.7 – Independent Assessment Table**

Update – This issue is now being addressed through Modification Proposal 713.

Other Workgroups

- 0646R - Review of the Offtake Arrangements Document and 0683S - Offtake Arrangements Document (OAD) Review Updates – Phase 1:**

At the meeting on 06 January 2020 the Workgroup re-considered the draft legal text and supporting documentation for Modification 0683S. Further consideration will take place at the next meeting on 05 February 2020. The 0683S Workgroup will be requesting an extension and hope to provide a Workgroup Report before April 2020. The next phase of Modifications will be considered in March.

Transmission Workgroup Headlines

www.gasgovernance.co.uk/tx

At the meeting on 09 January 2020 the following were discussed/:

- Pre-Modifications** - No draft modifications were presented for discussion.
- 0662 - Revenue Recovery at Combined ASEPs** – National Grid confirmed that this Modification was in the process of being withdrawn following the Ofgem decision in relation to Modification 0678 and its alternatives.
- 0705R – NTS Capacity Access Review.** NTS provided an overview of the Capacity Access Review presentation; which focused on the Capacity Access Review Consultation, due to be published during January 2020 with the close out date of Thursday 20 February 2020. Jennifer Randall (JR) National Grid, explained that following the discussions at the last Workgroup meeting in December 2019, the ambition statement had now been amended and the short-term issues table had not been amended to address the BBL capacity issue. JR said that this was due to the publication of Ofgem's initial impact assessment and 'minded-to' position for accessing baseline capacity at Bacton IP (09 December 2019), BBL were now happy for this not to be included in the Capacity Access Review short-term issues list. National Grid also provided an overview of the overrun charges, and it was agreed more evidence and data was required, however in the first instance *Option 1: Reduce the multiplier from x 8 to the closest multiplier which will enable collection of similar transporters allowed revenue*, was seen as the only potential workable solution. The Workgroup proposed a multiplier x2, which will be discussed further at the February meeting, together with more in-depth analysis regarding this topic. The areas for discussion at the February meeting are as detailed below:
 - February 2020 onwards:**
 - Review of Overrun Charges
 - Entry Trading and Ofgem related issues
 - DN Capacity booking process,
 - Modification 0667 – Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC
 - Wales & West Modification
 - Review of Workgroup Plan
 - Review of Amended Request
- 0712S - Amending the oxygen content limit in the Network Entry Agreement (NEA) at the St Fergus SAGE Plant.** Alan Raper (AR) Chair explained that this Modification had been discussed in detail at the pre-Modification stage and that prior to the formal submission at the December Panel, National Grid had already commenced work on the oxygen penetration analysis. Angela Fletcher (AF) introduced the Modification and explained SNSL was seeking to bring new Norwegian gas volumes into the National Grid via the St Fergus SAGE gas terminal. She explained that OMV Gas Marketing

and Trading GmbH's Norwegian affiliate was co-owner of these gas volumes, and OMV Gas Marketing and Trading GmbH, as a UNC shipper, was therefore seeking the Modification while SNSL's gas licence application progresses. She said processing this gas to meet the current GS(M)R (1996) defined Incomplete Combustion Factor ("ICF") specification would require ballasting with nitrogen gas. She added the available the Pressure Swing Absorption ("PSA") nitrogen generation units produce nitrogen with a minimum 99.5% vol. purity. Analysis of SAGE Terminal export composition showed that this will result in an Oxygen content range of 50 to 70 ppm (0.005 to 0.007 mol%) in gas exported to the NTS. The 10ppm limit as currently applied will prevent the SAGE terminal from being able to process these new gas volumes. AF said she believed this limit was unnecessary and restrictive to the SAGE terminal's ability to access new gas supplies for the UK. Phil Hobbins (PH), National Grid, provided an overview of the 'Amending the Oxygen Limit in the NEA at the St Fergus SAGE Plant' presentation, the full presentation can be viewed at: <http://www.gasgovernance.co.uk/tx/090120>. The consensus of the Workgroup was that more information was required in relation to the impact on users, specifically for downstream, and that this should be incorporated into the Workgroup Report. It was also felt that further analysis should be undertaken regarding the maximum level of oxygen at certain points of the network and presented as cumulative results.

- **0713S** – *Amendments to TPD V3.1.7 Independent Assessment table*. Alan Raper (AR) Chair confirmed that the Modification would be discussed at the 23 January 2020 Distribution Workgroup in the first instance and then would return to the 06 February 2020 Transmission Workgroup for further assessment and development.

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCMF) www.gasgovernance.co.uk/dncmf

- Transporters presented their allowed and collected DN revenue (MOD0186) reports, which are now beginning to factor in RIIO2 aspects from their business plans to forecast allowed revenues which are expected to be finalised in late Spring 2020.
- The next meeting is on the 24 February 2020.

NTS Charging Methodology Forum (NTSCMF) www.gasgovernance.co.uk/ntscmf

At the meeting on 07 January 2020 the following was discussed/progressed:

- **Pre-Modifications:** No draft modifications presented for discussion.
- **Ofgem update:** Ofgem provided an overview of the 'minded to' decision letter on Modification 0678 and its alternatives (<https://www.gasgovernance.co.uk/0678>). An update on Modification 0686 and its alternatives is still awaited.

Please note that the next meeting has moved from 04 February to 11 February 2020 to allow attendance by Ofgem and CEPA. Industry parties are asked to forward any questions in relation to the minded to decision letter and impact assessment to Joint Office to close of play on 13 January 2020.

- **Forecasted Contracted Capacity (FCC) Update:** No update this month.
- **Long Term Revenue Forecasts:** No update this month.
- **0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS:**
The Review Group examined the Ofgem 'minded-to' letter for Modification 0678 and considered some potential options for a short-haul product and the analysis needed. An additional meeting is being held by teleconference on 28 January 2020 to discuss these options and the supporting analysis.

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

At the meeting on 12 December 2019 the following was discussed/progressed:

- **Pre-Modifications** - No draft modifications were presented for discussion.
- **0664 - Transfer of Sites with Low Read Submission Performance from Class 2 & 3 into Class 4.** An amended Modification was considered with a review of the Legal Text took place. At the January meeting it is anticipated the Workgroup Report can be finalised following the further amended Modification v9.0, the CNG Initial Representation will be addressed and encompassed within the Workgroup Report, the Legal Text will be reviewed again and further consideration of the ROM request will be discussed following the formally amended Modification.
- **0672 - Incentivise Product Class 4 Read Performance.** An amended Modification was discussed. At the January meeting it is anticipated that a further amended Modification v9.0 will be submitted and the Legal Text will be confirmed. Confirmation will be sought as to whether an equivalent IGT Modification will be required and then the Workgroup Report will be finalised.
- **0691S – CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met.** A further amended Modification v6.0 will be discussed in the January meeting as the Proposer requested the December meeting was deferred. At the January meeting consideration of the PARR Report specification/format will be discussed, together with the Legal Text and confirmation of whether an equivalent IGT Modification will be required and the aspiration is to finalise the Workgroup Report at the January meeting.
- **0693R – Treatment of kWh error arising from statutory volume-energy conversion.** Loraine O'Shaughnessy (LOS) - Chair, confirmed the December Workgroup meeting had been deferred with agreement from the Workgroup and the Proposer. It is anticipated within the January meeting that the Request will have an information update, together with a Workgroup discussion regarding the potential solution to enable the development of the Request Workgroup Report.

Governance Workgroup Headlines

www.gasgovernance.co.uk/gov

The last meeting was held on the 02 December 2019.

The meeting covered:

- Further discussion of Panel Action 01/08 regarding the consideration of Alternatives.
- Brief discussion relating to BEIS/Ofgem Energy Codes Governance Review.
- **0676R - Review of Gas Transporter Joint Office Arrangements:** Workgroup reviewed outstanding actions from previous meeting. Further progress on the Workgroup Report will take place in January 2020.
- **0708S - Re-ordering of the UNC in advance of Faster Switching:** This proposal has been raised to re-order the UNC in advance of Faster Switching. A joint Workgroup with the IGT UNC has been established to develop this Modification.
- The next meeting is due on Monday 22 January 2020.

Committees Updates

Energy Balancing Credit Committee (EBCC) www.gasgovernance.co.uk/EBCC

- The next meeting is on the 24 February 2020.

Demand Estimation Sub-Committee (DESC) www.gasgovernance.co.uk/desc

- The key messages from meetings are available at:
www.gasgovernance.co.uk/desc/summarykeymessages.
- The next meeting is to be held on 10 February 2020.

Performance Assurance Committee (PAC) www.gasgovernance.co.uk/PAC

- The key messages from meetings are available at: www.gasgovernance.co.uk/pac/summarykeymessages
- The next PAC meeting is on 14 January 2020.
- An Open PAC meeting is also being held on 20 January 2020 to discuss the development of PAC arrangements.

0674 - Performance Assurance Techniques and Controls www.gasgovernance.co.uk/0674

- The last meeting was held on 11 December 2020 and Ofgem, Jon Dixon (JD) provided an overview of the Retail Energy Code Performance Assurance Board (REC PAB) proposal and explained that the main document on this subject would be circulated by Ofgem in due course. The full presentation can be viewed via the link: <http://www.gasgovernance.co.uk/0674/111219>
- The Workgroup continues to develop the Business Rules and the complementary documentation, (the Performance Assurance Framework Document, along with a consolidated document UNCC and PAC related document with Part 1 & 2 encompassing the governance arrangements, setting out the PAC's operating framework). The initial version of legal drafting is expected to be available for discussion at the next Workgroup meeting on 27 January 2020.

AUG Sub Committee

- An AUG Sub Committee was held on 10 January 2020. A summary of the key messages from this meeting can be viewed at: <http://www.gasgovernance.co.uk/aug/100120>. The next meeting will be held on 05 March 2020, and AUG will prepare the Key Messages and Modified AUGS and Table for discussion.

Data Service Contract (DSC) Committees www.gasgovernance.co.uk/DSC-CDSP

DSC Change Management Committee

At the meeting on the 11 December 2019:

- There were 2 new change proposals, which were both approved.
- Updates were provided to the Committee on the DSC Implementation Plan and Releases planned for 2019 and 2020.
- The next meeting is on 08 January 2020.

DSC Contract Management Committee

- At the meeting on the 18 December 2019, 3 Disclosure Request Reports were approved and updates were provided on the BP20 Budget and the Monthly Contract Management Report KPIs.
- The next meeting is on 15 January 2020.

DSC Credit Committee

- The next meeting is due on the 24 February 2020.

IGTAD Sub-Committee <https://www.gasgovernance.co.uk/igtad/>

- The next meeting is on 02 March 2020.

Things to Note...

- Ms. Wanda Goldwag, the new Independent Uniform Network Code Modification Panel Chair will be Chairing her first UNC Panel meeting on Thursday 16 January 2020 in London. The Joint Office of Gas Transporters know the industry will make her very welcome.

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