

UNC Distribution Workgroup Minutes
Thursday 25 January 2018
at Xoserve, Lansdowne Gate, 65 New Road, Solihull
B91 3DL

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Andrew Margan	(AM)	Centrica
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CWh)	First Utility
Chris Warner	(Cwa)	Cadent
Claire Towler	(CT)	SSE
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Debbie Brace	(DB)	National Grid NTS
Gareth Evans*	(GE)	WatersWye
John Welch	(JW)	npower
Kirsty Dudley*	(KD)	(E.ON)
Lorna Lewin*	(LL)	Orsted
Mark Jones*	(MJ)	SSE
Nicky Rozier*	(NR)	BUUK
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy	(RP)	Wales and West Utilities
Rowan Hazell*	(RH)	Cornwall Insight
Shane Preston	(SP)	ScottishPower
Shanna Key	(SK)	Northern Gas Network
Shardul Pandit*	(SP)	Wales and West Utilities
Steve Mulinganie*	(SMu)	Gazprom

*via teleconference

Copies of all papers are available at <https://www.gasgovernance.co.uk/dist/250118>.

1. Introduction and Status Review**1.1. Approval of Minutes (05 January 2018)**

The minutes from the previous meeting were approved.

1.2. Modification(s) with Ofgem

BF explained that Modifications 0633V and 0638V had only been with Ofgem since the Panel meeting last week, so there was no update presently.

1.3. Pre-Modification discussion**1.3.1. Update to the UNC to formalise the Data Enquiry Service Permissions Matirx (Proposer, Gazprom)**

RH provided an overview on behalf of Gazprom and she explained the proposed Modification was seeking to formalise the Data Enquiry Service (DES) Permissions Matrix within the Uniform Network Code (UNC) and set out the process for amending the data access permissions in the future. She added that the TPD Section V5.5 (Exceptions) of the UNC would be amended to formalise the DES Permissions Matrix, noting that this amendment would formalise the arrangement to permit Xoserve to release data in line with the DES Permissions Matrix.

RH said that she would note the Distribution Workgroups view concerning if this modification should go to a Workgroup or whether it could go straight out to consultation. A brief discussion took place and RP noted that it was similar to Modification 0640 and the Legal Text. He said that he questioned the whole permissions area in light of the Funding Governance and Ownership (FGO) and Section 9 of the UNC, regarding confidentiality. SK and AMa both said they had similar concerns and BF said that it should be allocated to a Workgroup for further discussion, with it reporting to the March or April Panel if raised for February. RH and DA added that the Permissions Matrix was already in use and was specified in the UKLink process.

2. Workgroups

The following Workgroup meetings took place:

2.1. 0632S – Shipper asset details reconciliation

(Report to Panel 15 February 2018)

<https://www.gasgovernance.co.uk/0632>

2.2. 0635 – Reforms to incentivise accurate and timely DM reads to improve the accuracy of Unidentified Gas allocation

(Report to Panel 19 April 2018)

<https://www.gasgovernance.co.uk/0635>

2.3. 0640S - Provision of access to Domestic Consumer data for Suppliers

(Report to Panel 15 February 2018)

<https://www.gasgovernance.co.uk/0640>

2.4. 0641S - Amendments to Modification 0431 - Shipper/Transporter - Meter Point Portfolio Reconciliation rules and obligations

(Report to Panel 15 February 2018)

<https://www.gasgovernance.co.uk/0641>

3. Revised estimation process for DM sites with D-7 zero consumption

3.1. Consider whether the implementation of the solution should be an enduring or transitional arrangement

DA provided an overview of the 'UNC Modification 0634 (Urgent) Post Implementation Assessment' presentation.

DA explained that Modification 0634 (Urgent) - Revised estimation process for DM sites with D-7 zero consumption, had been raised due the proposed large number of DM Supply Meter Points that were not recording Actual consumptions post the Nexus Implementation and that the DM estimates were being used to close out allocations, adding to volatility.

He said Modification 0634 aimed to override the existing estimation routines in the event that an actual reading was not obtained on DM Supply Meter Points and where an estimate derived was ZERO based upon the D-7 Reading.

He explained in relation to the Central Data Service Provider (CDSP) activities, the modification was raised to amend the following areas:

Pre-0634 estimate routine used (in priority order)

- Consumption derived from D-7
- AQ/365 Consumption

0634 required assessment by the CDSP where the Estimated Consumption was derived using D-7 reading AND this derived ZERO

- Assess whether an Actual consumption was available, and if so utilise this consumption
- Assess whether a better estimation routine would be to derive consumption based on AQ/365
- Retain zero consumption

He said from the Shipper activities perspective and that interaction, the Shipper could then instruct the CDSP to amend the consumption if not then use, the AQ / 365, the ZERO Value and the alternative consumption, and he added if nothing was changed then the CDSP proposed consumption would be retained. DA said in relation to the implementation, that a revised consumption would be required by the GFD+5 in order to amend allocations and that the Modification 0634 would then require the appropriate CDSP insertion of the revised consumption prior to the notification being sent to the Shipper. He said in this case, that Xoserve would contact the DMSP to ascertain whether:

- The DMSP had obtained an Actual Consumption
- Whether the DMSP would be planning to intervene with Alternative Consumption

Amended process to seek approval from Shipper User prior to inserting the revised consumption – to reduce the risk of missing the D+5 deadline due to 'double entry'

DA then overviewed the complex Process Flow Schematics in relation to a fault on the site and how Xoserve would be liaising with the DMSP throughout this process to resolve the issue.

DA presented the itemised the statistics regarding Unidentified Gas (UG) in relation to Pot 1 and Pot 2 as detailed below:

- Pot 1 – DM Supply Meter Points that at 0634 implementation had not recorded an actual reading since Project Nexus Implementation Date
- Pot 2 – DM Supply Meter Points which had recorded actual readings but have stopped recording actuals / new DM Supply Meter Points

He added that the statistics presented show c 1 month following implementation, and c 2 months following implementation. He then overviewed the individual schematic regarding Pot 1, DM Supply Meter Points that Modification 0634 implementation had not recorded an actual reading since the Project Nexus Implementation Date and drew attention the points of interest which were as detailed below:

- 91 potential interventions – 78 of which were retained as 0 following CDSP assessment, 64 of which in Month 1
- 1 actual consumption obtained from DMSP and inserted by CDSP in Month 1 – 960 GWh amended in allocation
- 0 actual consumptions inserted in Month 2
- 6 consumptions amended by DMSP in Month 1 & 2 – 1, 580 GWh

DA then explained the individual schematic in relation to Pot 2, DM Supply Meter Points which had recorded actual readings but have stopped recording actuals and new DM Supply Meter Points with the points to note as detailed below:

- 138 potential interventions – 87 of which were retained as 0, 72 of which in Month 1
- 12 actual consumption obtained from DMSP and inserted by CDSP in Month 1 and 2 – 1.612 GWh amended in allocation
- 11 consumptions amended by DMSP in Month 1 & 2 – 950 GWh

DA said that regarding the engagement of the CSDP beyond the transitional issue the following provided an overview.

For Transitional Issue (Pot 1) Supply Meter Points

- Benefits seen within Month 1 following implementation, no further amendments undertaken by CDSP

For Pot 2 Supply Meter Points

- Some intervention undertaken by CDSP – 12 instances where DMSP provided Consumption inserted by CDSP, 7 instances where instruction to insert AQ/365 provided – majority in Month 1 (10, 5 respectively)

Intervention by DMSP in 17 instances to amend estimated zero consumption across Pot 1 and 2.

CWh said that from the information presented, he had presumed the DMSP had acted in these situations prior to Xoserve making an impact. He wanted to know if the DMSP would have still acted if the modification had not been implemented, and whether the modification still needed to be in Code? SMu also wanted to know if this was Business As Usual (BAU) for the DMSP. DA said it was about the actual speed of response times and that the DMSP would act when they got an actual consumption or if the Shipper contacted them about an estimated consumption. RP proposed this presentation should also be made available to the Performance Assurance Committee (PAC) too, and all were in agreement. AMa asked DA if the modification had in actual fact been worthwhile and DA said yes it had and that the general consensus was that the DMSP had the right approach. SMu said that he thought a sub-clause should be produced in relation to the CDSP and RP also suggested that it should be changed by a Sun-set Modification in relation to the authority and decision making level. BF proposed that Workgroup Report should be concluded at the next meeting and SMu said he was thinking of raising a new modification to introduce a Sun-Set clause and RP said he was going to ensure the presentation was viewed by the PAC in February.

3.2. Consider whether the solution and legal text interpretation is consistent

The Workgroup noted that the above presentation highlighted the differences between the proposals set out in Modification 0634 and the process actually implemented. Should the process be maintained, a further modification may be required to ensure the service mirrored actual requirements.

It was also noted that implementation of Modification 0634 was inconsistent with the principals of FGO and the industry should look to remove the CDSPOs discretion in processes at some point in the future.

4. Issues

None discussed in this meeting.

5. Outstanding Action(s)

1101: UNC0625 - Xoserve to communicate with Shippers what the timescales, obligations and leads times are for moving sites which do not qualify to be Class 1 and provide a report on impacted sites.

Update: DA explained that he had produced a paper entitled 'Reclassification of Supply Meter Points where the Class 1 Requirement does not apply', although he apologised as he had missed the required publishing deadline. He then provided a verbal overview of the process as detailed below.

Post Meeting Document - Reclassification of Supply Meter Points where the Class 1 Requirement does not apply

A number of Supply Meter Points have been maintained in Class 1 (i.e. Transporter Obligation to obtain Daily Meter Reads) where the Class 1 Daily Read Requirement does not apply.

A number of UNC Modifications have been raised to extend the date by when this arrangement will lapse. When UNC Modification 0625 - "Extension of 4 months to 10 months to transfer non-mandatory sites from Class 1" – expires on 01 April 2018, the CDSP has an obligation to move any such Supply Meter Points into Class 4 within 1 month of this date.

The Class 1 Requirements are defined in UNC G 1.5.3:

The Class 1 Requirement applies in relation to a Supply Meter Point if:

- (a) the Supply Meter Point is a NTS Supply Meter Point, or
- (b) the Annual Quantity of the Supply Meter Point is not less than 58,600,000 kWh (2,000,000 therms), or
- (c) the Supply Meter Point is Interruptible; or
- (d) the Supply Meter Point is comprised in a Seasonal Large Supply Point ; or
- (e) the Supply Meter Point is an LDZ Supply Meter Point where telemetry equipment has been installed in accordance with Section M6.7.1.

UNC (G 1.6.15) further stipulates that a Supply Meter Point does not constitute a threshold crosser – i.e. in this context necessitate a change of classification unless:

- the Supply Meter Point AQ has been consistently below 58.6GWh in the preceding 6 months (G 1.6.15 (a)) - i.e. AQs effective in the period 01 Nov 17 – 01 April **AND**
- One of the three below apply (G 1.6.15 (b)):
 - the site must either calculated as below 58.6GWh for the previous 3 consecutive months (AQs effective 01 Feb. 01 Mar and 01 April), **OR**
 - ANY three consecutive months in the preceding 18 months must be less than 58.6GWh **OR**
 - IF NOT 3 calculations in the previous 18 months, that ALL calculations must be less than 58.6GWh.

Class 1 (and Class 2) Supply Meter Points will have been notified of the Annual Quantity each month, where calculated, in the *.NRL file by M-5 (when M is the 1st of the Month from which the AQ will become effective, and -5 is 5 Business Days).

In further support of the Shipper Users we propose to provide a portfolio report by the Customer Operations box to the normal recipients within the Shipper organisations to provide those Supply Meter Points that DO NOT meet the Class 1 Requirements.

We expect to issue this portfolio by 9th February 2018 based upon an extract date at the start of February. This will utilise the prevailing AQ as at 1st February 2018. We will expect to provide further portfolios to enable Users to monitor the threshold criteria described above (G 1.5.16 (b)).

Users may submit a Supply Point Amendment prior to 1st April 2018 to amend the Class Type using the C38_Class_Change record within the SPC file. Processing a Class Change via a Supply Point Amendment triggers a requirement for a Meter Reading in accordance with G 1.11.5.

Any Supply Meter Points that do not meet the Class 1 Requirements at 1st April 2018 and remain in Class 1 will be subject to a re-confirmation using the functionality that Xoserve has previously utilised. We will expect to start constructing these records from 2nd April 2018, and would expect first submission of these records by 6th April 2018.

We will utilise minimal lead times for these Reconfirmations as the presence of an accepted Confirmation will preclude the acceptance of another. As such, depending upon the volumes of Supply Meter Points that will be subject to the reclassification by the CDSP, it is probable that not all Supply Meter Points shall have the same effective date of reclassification.

Users will need to be aware that, as previously with use of these processes, they will receive 'unsolicited' response files following submission by the CDSP of these Reconfirmation flows. For Large Supply Points this will include the Nomination Response File, as well as the Confirmation Response File that is common across the Small Supply Point Sector. In creating these files we will, consistent with other instances where this process has been used, need to apply default values in order to create the Confirmation.

- The Meter Read Frequency will be determined in accordance with UNC M 5.9.1 b (i).
- The Market Sector Code will be determined in line with the AQ.
- Emergency Contact detail will need to be reviewed and repopulated by the Shipper User subsequent to the Reconfirmation process.
- All Consumer info such as PREMISES_CUSTOMER_NAME and SHIPPERS_CUSTOMER_NAME will not be carried forward
- The 'SP Manned Indicator' will default to 'N' – therefore will need to be assessed and amended as necessary.
- The existing Shipper and Supplier identities will be used.
- Nomination Shipper Ref will be defaulted to MANUAL_xxxxxxxx.
- Change of Tenancy Indicator will be defaulted to 'N'.

Users are reminded that the Confirmation Reference Number will be amended.

In instances of a Reconfirmation, a reading is required. In this circumstance of a Class 1 to Class 4 change, the transfer reading will be loaded on D (where D is the Confirmation Effective Date).

RP added that as of 07 January about 100 Cadent Wales & West Utilities seem to have migrated out of Class 1, and he estimated that there would be another 500 to migrate and he said this figure did not include SGN.

DA then said that this action could then be closed. **Closed**

1102: Xoserve to provide statistical analysis for DM sites with D-7 zero consumption (UNC0634 (urgent))

Update: DA confirmed this information had been presented within the presentation under point 3.1 and so this action could now be closed. **Closed.**

6. Any Other Business

6.1. 0636 0636A – Updating the parameters for the NTS Optional Commodity Charge – Discussion required on the impacts on the Distribution Networks

BF explained that there was already a dedicated Workgroup for Modifications 0636 and 0636A and that as no Proposer was present, then this matter would not be discussed as he felt it was it was not appropriate to be discussed within the Distribution Workgroup. RP and AMa said there was a potential 'Downstream' impact regarding the NTS Commodity Charge and there could be an issue in the way the DN's collected their revenues and RP added that Panel had requested this was flagged within the Distribution Workgroup. BF advised that charging impacts should be discussed at the charging related Workgroup DNCMF.

6.2 Clarification regarding obligations and 'cutting off' of Services

SMu said that he wanted to highlight the obligations and process of the 'cutting off' of services in light of the recent legal case within the Industry. He said he wanted more detailed information on this matter from an obligations perspective. CWa said that the detail was in the existing 'Gas Safety "Installation and Use" Regulations' and this had always been performed by the Transporters although it was a Supplier obligation to do so. A brief general discussion took place and it was agreed that all the GDN's should supply further information on this matter including the regulations.

New Action DX 0101: All GDN's to supply further information regarding the gas safety cut off process and present regulations.

6.3 WAR Bands – Guidance and Education Pack

RH just wanted to make everyone aware that an email was sent on 23 January 2018 containing information on the WAR Bands Guidance and Education Pack, which she hoped all interested parties would find helpful and useful.

7. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:30 Thursday 22 February 2018	Elexon, 350 Euston Road, London, NWE1 3AW	Standard Agenda items
10:30 Thursday 22 March 2018	Solihull venue to be confirmed	Standard Agenda items

Action Table (as at 25 January 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	23/11/17	1.3.1	UNC0625 - Xoserve to communicate with Shippers what the timescales, obligations and leads times are for moving sites which do not qualify to be Class 1 and provide a report on impacted sites.	Xoserve (DA)	Closed
1102	23/11/17	3.1.1	Xoserve to provide statistical analysis for DM sites with D-7 zero consumption (UNC0634).	Xoserve (DA)	Closed
0101	25/01/18	6.2	All GDN's to supply further information regarding the gas safety cut off process and present regulations.	ALL GNDN's	Pending