

**UNC Governance Workgroup Minutes
Monday 04 December 2023
And Via Microsoft Teams**

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Harmandeep Kaur	(HK)	Joint Office
Andy Clasper	(AC)	Cadent
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DM)	Scotia Gas Networks
Edward Allard	(EA)	Cadent
Ellie Rogers	(ER)	Xoserve
Gavin Williams	(GW)	National Gas Transmission
Gregory Edwards	(GE)	Centrica
Helen Chandler	(HC)	Northern Gas Networks
James Rigby	(JR)	Xoserve (CDP)
Jayne McGlone	(JM)	Xoserve (CDP)
Jenny Rawlinson	(JR)	BU-UK
Kirsty Ingham	(KI)	Centrica
Malcolm Montgomery	(MM)	National Gas Transmission
Marina Papathoma	(MP)	Wales & West Utilities
Mark Jones	(MJ)	SSE
Oorlagh Chapam	(OC)	Centrica
Sally Hardman	(SHa)	SGN
Steve Mulinganie	(SM)	SEFE
Susan Ann Helders	(SH)	Northern Gas Networks

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 February 2024.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/gov/041223>.

1. Introduction

Kate Elleman (KE) welcomed all parties to the meeting and confirmed the meeting to be quorate.

1.1 Approval of minutes (6 November 2023)

The minutes from 06 November 2023 were approved.

1.2 Approval of Late Papers

No late papers to approve.

1.3 Review of outstanding Actions & Issues Log

No actions outstanding.

1.4 Industry Update from Ofgem

The workgroup reviewed the latest Ofgem updates on Modification awaiting Authority Decisions.

Modification	Estimated Decision Date
0808 - Reverse Compression	Approved 24 November 2023
0823 - Amendment to the Allocation of Entry Capacity and Flow Quantities to Qualifying CNCCD Routes	26 January 2024
0825 - Removal of the remaining Retrospective Asset, Address and Supply Point (RAASP)	Approved 14 November 2023
0839 - Revision of the Modification Panel Membership Cessation Provisions	12 January 2024
0847 - Introduction of a Minimum General Non-Transmission Services Charge	31 May 2024
0855 - Settlement Adjustments for Supply Meter Points impacted by the Central Switching System P1 Incident	5 December 2023

1.5 Pre-Modifications Discussions

None

2. Workgroups

2.1 Modification 0841 – Introduction of cost efficiency and transparency requirements for the CDSP Budget

(Report to Panel 15 February 2024)

<https://www.gasgovernance.co.uk/0841>

2.1 Modification 0864S – Update of UNC Code Communication Methods

(Report to Panel 16 May 2024)

<https://www.gasgovernance.co.uk/0864>

3. New Issues

No new issues were raised.

4. Any Other Business

None.

5. 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	Meeting Paper Deadline	Venue	Programme
10:00 Monday 08 January 2024	5 pm Thursday 28 December 2023	Microsoft Teams	Standard Agenda
10:00 Monday 05 February 2024	5pm Friday 26 January 2024	Microsoft Teams	Standard Agenda

UNC Workgroup 0841 Minutes
Introduction of cost efficiency and transparency requirements for the
CDSP Budget
Monday 04 December 2023
Via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Harmandeep Kaur	(HK)	Joint Office
Andy Clasper	(AC)	Cadent
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DM)	Scotia Gas Networks
Edward Allard	(EA)	Cadent
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The Workgroup Report is due to be presented at the UNC Modification Panel by 15 February 2024.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0841/041223>.

1. Introduction

Kate Elleman (KE) welcomed all parties to the meeting.

1.1 Approval of minutes (06 November 2023)

The minutes from 06 November 2023 were approved.

1.2. Approval of Late Papers

No late papers to approve.

1.3. Review of Outstanding Actions

No actions were outstanding.

2. 0841 Modification Assessment

Modification 0841 Version 7:

Gregory Edwards (GE) took the Workgroup through v7.0 of Modification 0841- Introduction of cost efficiency and transparency requirements for the CDSP Budget. GE explained that the term 'CDSP Annual Budget' has been amended to 'CDSP Budget' in order to align with the UNC. GE explained some of the amendments have been made to include the changes that have come into action since the Modification was first proposed.

GE presented the amendments made to the Business Rules within the Modification.

Further to the changes to the term 'costs' in Business Rules 1 to 3, Jayne McGlone (JM) noted that CDSP Costs were defined in the UNC. GE clarified that the CDSP Costs were not a defined term in the Terms and Conditions. Centrica is proposing the change to the CDSP's Terms and Conditions and therefore it will be cost rather than Cost.

GE noted that Business Rule 4 has been updated to say the Business Plan Information Rules (BPIR) are created as a UNC-related document. GE noted that they have streamlined the explanation and they have added an 'avoidance of doubt' explanation at the end of the Rule to clarify that BPIR will be a separate document. Further, GE provided an overview of Business Rule 6.

James Rigby (JR) questioned whether the default level or a timeline can be agreed upon by which the lowest level of granularity for each specified information category needs to be presented by the CDSP. Ellie Rogers (ER) agreed with JR and stated that a clear timeline would help avoid delays.

The proposers of the Modification considered what the practical impact of not having a timeline would be. Continuing with the overview of the Business Rules, GE confirmed that Business Rule 10 was removed based on the conversations about whether changing terms of reference for the DSC Contract Management Committee is needed.

Legal Text and Business Rules:

Andy Clasper (AC) provided an overview of the Legal Text along with the relevant Business Rules. The Workgroup reviewed and had no comments on the Legal Text for Business Rules 1 and 2.

The Workgroup discussed whether the term 'costs' in Business Rule 3 should be capitalised. GE confirmed that the term is defined in the UNC and the Budget and Charging Methodology and if they were to capitalise the term, it would need to be a defined term in DSC Terms & Conditions.

JM enquired whether 3.8 (c) in DSC Terms and Conditions is a repetition of 3.4 as they both relate to CDSP performing their functions in an efficient, economic, and effective manner. AC agreed to discuss this with the lawyers.

The Workgroup reviewed and had no comments on the Legal Text for Business Rule 4. In relation to Business Rule 5, JM noted that the Business Plan Information Rules (BPIR) document is not highlighted as a UNC-related document. ER provided the example of the UK Link manual which is considered a UNC-related document. ER noted that the UK Link document is highlighted as a UNC-related document in GTD and asked whether something similar needs to be done for BPIR.

The Workgroup discussed the issue and AC agreed to review this with the legal team and ask them to review another UNC related document to understand how this one should be set up. Oorlagh Chapman (OC) highlighted the Derogation Guidance Document which has a clause that sets out the document control and suggested following a similar procedure for this document.

Steve Mulinganie (SM) noted that the Workgroup needs to consider about how to make sure the debates that take place during the Workgroup discussions are easy to understand for a person who is not aware of all the details when this Modification goes to consultation. The chair agreed to review the Workgroup Report and think about the way these discussions will be reflected in the Workgroup Report.

New Action 1201: Centrica to consider including a change control table to the Business Plan Information Rules document.

New Action 1202: CDSP (JM) to send a list of the outstanding queries in relation to the Business Plan Information Rules document to Andy Clasper.

AC provided an overview of Business Rule 6. ER brought the Workgroup's attention back to the earlier discussions in relation to a timeline for the lowest level of granularity for each specified information category to be agreed upon and presented. ER noted that it would be useful to have a timeline for section 4.7.1 of the business rule so that it does not delay other parts of the process.

JM suggested that it would be helpful to have the timeline in the legal text to clarify by which date the level of detail needs to be agreed. JM noted that if the level of detail is not agreed upon by that date, it will default to the level of detail used in the previous year.

Kirsty Ingram (KI) noted the importance of having a timeline and stated that Centrica will take this back and review it. KI pointed out that the legal team may not want to add a date to the legal text.

Kate Elleman (KE) enquired whether having a specified date is restrictive to the CDSP. JM responded that it is helpful rather than restrictive as if the date was not agreed, there would be no clarity as to the time by which the detail needs to be agreed.

KI emphasised that this refers to the minimum level of detail and CDSP can exceed this limit and provide more detail than the minimum level. GE proposed the August Contract Management Committee as the deadline. JR noted that August would be too late and stated that it does not have to be as early as March or April. JR noted that it needs to be early enough so that they do not risk having to re-work.

JM noted that the change in 4.7.4 could prevent them from amending the draft further to the feedback they receive from non-committee members which is in direct conflict with Section 8.15, paragraph c of their contract. AC explained that, as he understands it, 4.7.4 does not prevent the CDSP from providing further drafts and it does not conflict with the contract.

ER disagreed and stated that it does cause a conflict and that the wording is confusing. ER explained that the CDSP needs to provide an amended draft according to the feedback from all members and non-members. JM agreed with ER and added that the new wording in 4.7.4 suggests the CDSP only provide further draft if the Committee requires them to.

ER proposed reverting to the previous wording 'CDSP may'. The Workgroup members agreed that having both the existing wording and the new proposed wording could be an option.

ER raised a concern in relation to duplication in section 4.7.7 of the Legal Text which is based on Business Rule 7. ER noted that both BPIR and the Legal Text appear to have rules around confidential information and the wording is slightly different in the two documents. ER enquired whether the explanation around confidential information is required in both documents; and if it is, the duplication needs to be discussed so that they do not become misaligned. ER proposed that the BPIR be legally reviewed.

KI agreed to take this away and review the wording in both documents.

New Action 1203: Centrica (KI/GE) to review the wording around confidential information in the Legal Text and BPIR document in order to ensure they do not become misaligned.

In relation to Business Rule 8, SM noted that Committee members represent their constituencies and asked whether signing an on-disclosure agreement to prevent them from discharging their responsibility of representing their constituencies. SM asked whether the legal team has any concerns about this. AC confirmed that the legal team did not raise any concerns about this. The Workgroup accepted this.

The Workgroup reviewed and had no comment on Business Rule 9. AC noted that Business Rule 10 has been removed and they have also made some housekeeping amendments such as changing the references to CSDP to CDSP and the formatting errors with bullet points in 3.1.1.

Business Plan Information Rules:

GE provided an overview of the amendments made to the Business Plan Information Rules (BPIR).

Kate Elleman (KE) highlighted that Modification 0841 includes a UNC-related document and the legal text and questioned how these work hand in hand. KE noted that the Legal Text does not include the term 'best endeavours', however, the BPIR does and to encourage best endeavours is an onerous responsibility. KE enquires how the CDSP is expected to go in providing transparency and whether it is required to do this at any cost based on the best endeavours phrase.

GE explained that best endeavours does not mean at any cost. GE noted that it puts a reasonably strong obligation on CDSP and the BPIR document needs to be read along with the Modification and the Legal Text to understand what it means. KE pointed out that the Modification will not be referred to in the future once the Modification is implemented and the only documents that would remain are the amended Legal Text in the UNC and the BPIR, which would be a UNC related document.

Susan Ann Helder (SH) asked whether additional time will be required to accomplish Section 4 of BPIR. GE confirmed that this process can easily be incorporated into the current timeline.

JR enquired what the thinking behind completing the assessment activity in the final draft is if the assessment identifies things that were not covered as it may not provide the CDSP an opportunity to add that to the draft. GE explained that the requirement and the expectation are to incorporate the results of the activity *in* the final version and not to complete the activity at the final stage.

Rough Order of Magnitude (ROM):

ER presented the amended Rough Order of Magnitude (ROM). ER noted that CDSP wishes to maintain the level of service delivered for Business Plan 2024 and they internally discussed the need for additional resources to deliver those standards. CDSP has concluded that they do not require any additional resources over and above what has already been used for the Business Plan 2024 process at this stage.

JR noted that being able to achieve the same results as Business Plan 2024 without any additional resources may not be sustainable. ER added that the additional costs required for achieving the standards of Business Plan 2024 will not be incorporated into the ROM but the CDSP will include the additional resource requirements which were introduced when creating the 2024 Business Plan will be included in the budget moving forward. ER clarified that JR wanted to check whether there would be any challenges to the budget if those costs were included.

GE asked whether it is correct for CDSP to remove everything from ROM that refers to them requiring extra resources. ER confirmed that it is correct as they would not add anything above the resources used to create the 2024 Budget. GE asked whether they should expect an increase of £50k to £60k in the budget. KE confirmed that they should now that the costs had been removed from the 0841 ROM as the costs needed to be included somewhere.

ER explained that the ROM has been amended to align with Modifications 0841 and 0841A based on the last versions of the Modifications. ER noted that the cost range for Modification 0841 is £40k to £70k, however, the option to carry out the assurance activity, which would be conducted under the existing CDSP Contract Assurance Audit Plan by a third party under the co-source arrangement, will present no cost.

GE asked for clarification on the new indicative cost with third-party assurance. GE noted that the UNC asks for a certain level of auditing and what ER said is that the reduction in the range is due to the scope being narrowed following further clarification at the November Workgroup. GE noted that he does not understand how £70k has come into existence.

ER explained that the ROM is based on the previous version of the Modification and that there has been a change in the scope for CDSP's requirements. One of the requirements, 'Efficiency Review' type level of assurance, has been removed in the updated version, therefore the costs in the ROM are an indicative range. This range has been assigned due to not knowing exactly who will be conducting the audit but are based on a mid-range sized assurance company's costs.

KI asked whether the co-source arrangement means zero costs.

JM explained that Xoserve put aside money for external audits in a co-source plan and they agree with the third party on what needs to be audited each year. JM noted that every three years, Xoserve could ensure that the business plan is included as part of the audit.

GE noted that the Contract Assurance Plan should be audited each year. JM explained that the Contract Assurance Plan is audited each year, however, different things are audited each year. GE clarified that the requirement as per Modifications 0841 and 0841A is not to audit the process but the budget plan itself.

CDSP clarified that each year they have a finite number of things they can ask to be audited as a part of the co-source agreement. The CDSP could incorporate the business plan into this plan, however, this means that something that would previously be audited would need to be sacrificed. CDSP noted that if the industry does not wish to sacrifice one of the audits, there would be additional costs involved in updating the co-source arrangement as this would be seen as additional work.

KI enquired about the items that were removed from the audit list and the impact of this. KI also enquired about the costs involved in co-source arrangement increase.

ER agreed to take this back to discuss internally with CDSP colleagues.

3. 0841A Modification Assessment

Deferred to the next Workgroup meeting.

4. Development of Workgroup Report

Deferred to the next Workgroup meeting.

5. Any Other Business

None.

6. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

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10:00 Monday 05 February 2024	5pm Friday 26 January 2024	Microsoft Teams	Standard Agenda

0841 Action Table						
Action Ref	Meeting Date	Min Ref	Action	Reporting Month	Owner	Status Update
1201	04/12/23	2.0	Centrica to consider including a change control table to the Business Plan Information Rules document.	January 2024	Centrica	New Action
1202	04/12/23	2.0	CDSP (JM) to send a list of the outstanding queries in relation to the Business Plan Information Rules document to Andy Clasper.	January 2024	CDSP (JM)	New Action
1203	04/12/23	2.0	Centrica to review the wording around confidential information in the Legal Text and BPIR document in order to ensure they do not become misaligned.	January 2024	Centrica (KI/GE)	New Action

UNC Workgroup 0864S Minutes
Update of UNC Code Communication Methods
Monday 04 December 2023
Via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Harmandeep Kaur	(HK)	Joint Office
Andy Clasper	(AC)	Cadent
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DM)	Scotia Gas Networks
Edward Allard	(EA)	Cadent
Ellie Rogers	(ER)	Xoserve
Gavin Williams	(GW)	Northern Gas Networks
Helen Chandler	(HC)	Northern Gas Networks
James Rigby	(JR)	Xoserve (CDP)
Jayne McGlone	(JM)	Xoserve (CDP)
Jenny Rawlinson	(JR)	BU-UK
Kirsty Ingham	(KI)	Centrica
Malcolm Montgomery	(MM)	National Gas Transmission
Marina Papathoma	(MP)	Wales & West Utilities
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SHa)	SGN
Steve Mulinganie	(SM)	SEFE
Susan Ann Helders	(SH)	Northern Gas Networks
<p><i>This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.</i></p> <p><i>The Workgroup Report is due to be presented at the UNC Modification Panel by 16 May 2024.</i></p> <p><i>Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: https://www.gasgovernance.co.uk/0864/041223.</i></p>		

1. Outline of Modifications

Gavin Williams (GW) provided an overview of Modification 0864S which proposes an update of UNC Code Communication Methods. GW noted that National Gas Transmission’s (NGT) main aim, in this Workgroup discussion, is to determine the scope of the Modification. GW confirmed that the Modification is scheduled to go to the panel in May 2024, however, it can report earlier if the Workgroup discussion can be concluded before then.

GW explained that communications via Facsimile are no longer a principal form of communication and are being replaced by email. GW noted that there are around 80 references to Facsimile in the UNC document and NGT is proposing to change these because the PTSN networks are being decommissioned by December 2025, after which devices running on these analogue networks will no longer be compatible. GW further said that there

are environmental benefits to replacing fax machines as it reduces the use of ink cartridges and reduces paper waste. Additionally, retrieving and transporting information from Facsimile requires more labour.

GW noted that NGT would like to agree on the best replacement for fax. GW further said that emails are the agreed-upon replacement, the Modification will only make housekeeping changes. GW noted that the proposed change has been discussed in NGT's Customer and Stakeholder engagements. It has also been discussed with Xoserve; however, a ROM has not been finalised yet. The change has been discussed in Distribution and Transmission Workgroup Pre-mod discussions.

GW provided an overview of the scope of the Modification. Kate Elleman (KE) pointed out that the cross-code impact of this change needs to be considered. Steve Mulinganie (SM) noted that before cross-code impact is considered, he would like to understand why e-mail is the alternative. SM highlighted the need to consider what REC and IGT are replacing fax with. SM acknowledged that the fax needs to be replaced, however, he noted that the replacement needs to be considered further.

GW agreed with SM. GW asked the Workgroup whether fax is still being used by the attendees or their organisation and if yes, what impact the change will have. SM stated that he is not able to answer this question as there may be parts of the business still using fax that he may not be aware of.

SM suggested writing to the industry and asking whether anyone uses fax and whether using email as the alternative is acceptable.

2. Initial Discussion

2.1 Issues and Questions from Panel

GW responded to the questions raised in the previous Workgroups. Please refer to the published slides for full details: [Presentation title runs here \(gasgovernance.co.uk\)](http://gasgovernance.co.uk).

SM noted that it needs to be ensured that the replacement of fax is just as robust. SM suggested reviewing each point where fax or Facsimile has been referred to and cross-checking that email is an appropriate replacement in that instance.

GW asked what the other alternatives could be. SM suggested asking Xoserve who, as the central system provider, would be better placed to respond to this. SM noted that the question could also be raised in the Change Management Committee. SM also suggested that the Joint Office make enquiries so that it can be ensured that email is the best alternative and not the most obvious one.

Ellie Rogers (ER) agreed to make internal enquiries with CDSP, however, email seems to be the most logical answer. ER noted that a change proposal has been raised at CDSP for this.

New Action 1201: NGT (GW) to draft a communication asking if the industry still use fax. If yes, is email the most appropriate alternative to fax or are there any other better-suited alternatives. JO to issue communication on behalf of NGT once received.

New Action 1202: Joint Office (KE) to raise a question with the cross-code steering group to confirm what work has been done ahead of the PTSN networks being decommissioned and what alternatives are being used by them.

New Action 1203: CDSP (ER) to check whether there are any other more appropriate alternatives to fax and consider which industry Workgroup is the most appropriate to discuss the technical aspects.

2.2 Initial Representations

Deferred to the next Workgroup meeting.

2.3 Terms of Reference

Deferred to the next Workgroup meeting.

3. Next Steps

The Workgroup will review the Modification in further detail and review the responses to the Actions assigned in the meeting.

4. Any Other Business

None.

5. Diary Planning

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1202	04/12/23	2.1	Joint Office (KE) to raise a question with the cross-code steering group to confirm what work has been done ahead of the PTSN networks being decommissioned and what alternatives are being used by them.	January 2024	JO (KE)	New Action
1203	04/12/23	2.1	CDSP (ER) to check whether there are any other more appropriate alternatives to fax and consider which industry Workgroup is the most appropriate to discuss the technical aspects.	January 2024	NGT (GW)	New Action