

UNC Distribution Workgroup Minutes
Thursday 22 October 2020
via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alex Mann	(AM)	Gazprom Energy
Andy Clasper	(AC)	Cadent
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (agenda item 3.0)
Fraser Mathieson	(FM)	SPAA/Electralink
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
India Koller	(IK)	SGN
John Welch	(JW)	PAFA
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Paul Bedford	(PB)	DRAX
Phil Lucas	(PL)	National Grid
Rose Kimber	(RK)	CNG Ltd
Sean McSweeney	(SMc)	E.ON
Steve Britton	(SBr)	Cornwall Insights
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dist/221020>

1. Introduction and Status Review

Kate Elleman (KE) welcomed everyone to the meeting.

1.1. Approval of Minutes (24 September 2020)

The minutes from the previous meetings were agreed.

1.2. Approval of late papers

KE advised Workgroup there were no late papers to consider for Distribution Workgroup, however, Ellie Rogers (ER) advised there is a paper, not yet submitted to Joint Office, to support an outstanding action that might be used for Workgroup 0734 later in the agenda.

1.3. Review Outstanding Actions

KE expressed her concern that some of the actions are coming up to 12 months old and is looking to progress as many as possible.

Action 1202: Deriving Formula Year AQ for New Class 3 and 4 Supply Meter Points.

Update: ER advised this was taken to DSG on 28 September and feedback from that meeting is that there is little benefit in progressing the change at the moment, and no specific impact to the systems to compel someone to make this change quite quickly. KE asked Workgroup if they can see any value in keeping the action open. Tracy Saunders (TS) advised, in view of the comments received from DSG, she would be happy to close the action and a new action opened if the issue is highlighted again.

Kirsty Dudley (KD) clarified that Workgroup should be asked if anyone wanted to sponsor this change, either an XRN for a minor enhancement or a modification. If a sponsor cannot be identified, then she is happy to close the action.

Dave Addison (DA) reminded Workgroup that the reason for this action was to address the logic that is currently applied to Class 3 and 4 AQ profiles – currently, for a Class 3 or 4 site, the System derives the first AQ for a newly connected Supply Point for a class 1 or 2, future readings then use the correct approach. He added this could potentially lead to the AQ being under stated for class 3 or 4 because winter profiling would not have been taken into account.

KE confirmed that as there is no appetite to raise a modification this action will be closed. If this becomes an issue in the future it will be dealt with at that time. **Closed**

Action 0103/0104: *Change of Tenancy Flag / CSS issues Original Action:* DA to liaise with SM regarding the possibility of having to raise a Change Request to Ofgem, or Shippers will not be provided the information.

Update: Dave Addison (DA) advised he continues to liaise with the Xoserve Technical Team on the construction of the report.

DA confirmed he will continue to pursue obtaining the required data and report back to the November Distribution Workgroup. **Carried Forward to November**

Action 0801: Ofgem (JD) to consider whether there are any further actions open to Ofgem regarding recent AQ Amendments by one Shipper recognising that there has been a material impact on Shippers and whether this can be addressed retrospectively.

Update: Max Lambert (ML) confirmed Ofgem are looking at options internally, an update will be provided in November 2020. **Carried Forward to November**

Action 0901: Workgroup to advise KD if there is support for a new modification to be raised in relation to the analysis provided by CDSP regarding AQ changes (Action 0701).

Update: The modification for this was raised and was subsequently withdrawn as Urgent status was not granted. **Closed**

Action 0902: All Workgroup participants to consider if a UIG agenda item for Distribution Workgroup is valuable, if it is, what should be delivered.

Update: Fiona Cottam (FC) clarified she has not received any comments for this agenda item. Workgroup agreed to keep UIG as an agenda item which can be used to discuss any UIG related topics. **Closed**

Action 0904: C2 Ratchets - If Workgroup have any concerns or comments, to please advise Dave Addison by the **end of week commencing 28 September 2020**.

Update: DA confirmed he has not received any comments or concerns from Workgroup and that the outcome would be a modification to refine the legal text that was introduced as part of *Modification 0665 - Changes to Ratchet Regime*. DA suggested that the discussion held in AOB at last months Distribution Workgroup is taken as the pre-modification discussion. **Closed**

1.4. Modifications with Ofgem

Max Lambert (ML) advised there was no update from Ofgem with regards to the modifications awaiting Ofgem decision.

With regards to *Modifications 0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs; 0687- Creation of new charge to recover Last Resort Supply Payments and 0701 - Aligning Capacity booking under the UNC and*

arrangements set out in relevant NExAs, there is an extra ordinary DSC Change Management Committee meeting being held on Monday 26 October 2020 to discuss if these changes will be included in the scope for the June 2021 System Release.

1.5. Pre-Modification discussions

1.5.1. Updating specific gender references to neutral terms

KD clarified the intention is to raise this modification ready for submission to November 2020 UNC Panel.

As a result of last month's pre-modification discussion, Sean McSweeney (SMc) has looked at how big this change might be and highlighted there are over 160 references within UNC text and its subsidiary documents that will require amendment. This table and the data relating to it will be appended to the modification.

KD advised that IGT UNC are taking a slightly different approach and clarified that IGT UNC do not want to discuss at Workgroup but do want a consultation and have agreed that the Legal Text provider will get a longer period than usual and then it will go out to consultation.

TS asked SMc to consider that changing from 'him' to 'they' could also be seen as changing from a single entity to a plural and could change the context of the paragraph.

TS advised that, taking her experience from legal text provision for *Modification 0708 - Re-ordering of the UNC in advance of Faster Switching*, there had been issues with workgroup quoracy but commented that this might be easier as it falls under Distribution Workgroup. She added that she would not be comfortable with this being Fast Track modification and would prefer Workgroup discussion.

KD agreed with Workgroup comments not to pursue the Fast Track route.

Next steps

KE confirmed the next steps for this modification:

- E.ON to formally raise the modification;
- Joint Office will allocate the legal text provider.
- Discussion regarding timescales and workload.
- KD will remove any reference to Fast Track.

New Action 1001: *Updating specific gender references to neutral terms:* E.ON (KD) to raise as a new modification.

2. Workgroups

2.1. 0736/A - Clarificatory change to the AQ amendment process within TPD G2.3

(Report to Panel early on 19 November 2020)

<https://www.gasgovernance.co.uk/0736>

2.2. 0734S – Reporting Valid Confirmed Theft of Gas into Central Systems

(Due to report to Panel 17 December 2020 – requested extension to February 2021)

<https://www.gasgovernance.co.uk/0734>

2.3. 0693R – Treatment of kWh error arising from statutory volume-energy conversion

(Report to Panel 17 December 2020)

<https://www.gasgovernance.co.uk/0693>

2.4. 0735 - UNC Changes as a consequence of the absence of trade agreement/s between the United Kingdom and the European Union ('no deal')

(Report to Panel 19 November 2020)

<http://www.gasgovernance.co.uk/0735>

3. UIG Update

3.1. UIG Update

FC confirmed there is no update this month.

4. COVID-19 Issues

4.1. Update from October 2020 UNC Panel

KE confirmed that the final figures for the liquidity relief scheme were shared at the October 2020 UNC Panel.

There will continue to be a COVID-19 standard agenda item going forward which will be used if/when any topical items require discussion.

5. CSS Consequential Changes – Detailed Design Report

DA advised there was no update this month.

6. Issues

None raised.

7. Any Other Business

7.1.

8. Diary Planning

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

Time / Date	Venue	Workgroup Programme
Thursday 26 November 2020	Teleconference	Distribution Workgroup standard Agenda
Monday 14 December 2020	Teleconference	Distribution Workgroup standard Agenda

Action Table (as of 22 October 2020)						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
1202	19/12/19	6.3	Deriving Formula Year AQ for New Class 3 and 4 Supply Meter Points (Original Action: Xoserve (DA) to assess the material effort to correct the formula for Class 3 and 4 New Supply Meter Points)	September 2020	CDSP (ER)	Closed

0103 & 0104	23/01/20	3.0	Change of Tenancy Flag / CSS issues (Original Action: DA to liaise with SM regarding the possibility of having to raise a Change Request to Ofgem, or Shippers will not be provided the information.)	September 2020	CDSP (ER)	Carried Forward
0801	27/08/20	1.5	Ofgem (JD) to consider whether there are any further actions open to Ofgem regarding recent AQ Amendments by one Shipper recognising that there has been a material impact on Shippers and whether this can be addressed retrospectively	September 2020	Ofgem (JD)	Carried Forward
0901	24/09/20	1.3	Workgroup to advise KD if there is support for a new modification to be raised in relation to the analysis provided by CDSP regarding AQ changes (Action 0701)	October 2020	Workgroup	Closed
0902	24/09/20	3.0	All Workgroup participants to consider if a UIG agenda item for Distribution Workgroup is valuable, if it is, what should be delivered			Closed
0903	24/09/20	7.3	Soft Landing Ratchet Charges - If Workgroup have any concerns or comments, to please advise Dave Addison by the end of week commencing 28 September 2020.	September 2020	CDSP (DA)	Closed
0904	24/09/20	7.3	C2 Ratchets - If Workgroup have any concerns or comments, to please advise Dave Addison by the end of week commencing 28 September 2020.	October 2020	Workgroup	Closed
1001	22/10/20	1.5	1001: Updating specific gender references to neutral terms: E.ON (KD) to raise as a new modification		E.ON (KD)	Closed

**UNC Workgroup 0693R Minutes
Treatment of kWh error arising from statutory volume-energy
conversion**

Thursday 22 October 2020

Via Teleconference

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alex Mann	(AM)	Gazprom Energy
Andy Clasper	(AC)	Cadent
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (agenda item 3.0)
Fraser Mathieson	(FM)	SPAA/Electralink
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Steve Britton	(SBr)	Cornwall Insights
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0693/240920>

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

1. Introduction and Status Review

Kate Elleman (KE) welcomed everyone to the meeting and suggested, in the absence of the proposer it might be better to re-look at this review at the beginning of next year.

FC did agree that this Review Group lost a bit of traction with the handover from UIG to Distribution Workgroup and advised that the Options Shortlist paper has been provided which holds quite a lot of detail and KE agreed to review the paper with the intention that progress could be made and further delays avoided.

1.1. Approval of Minutes (24 September 2020)

The Workgroup accepted the minutes.

1.2. Approval of Late Papers

KE advised there were no late papers submitted for this Workgroup.

1.3. Review of Outstanding Actions

Action 0901: Xoserve to provide update on the meter temperature data exercise from the AUG Subcommittee.

Update: This will be a laboratory study to simulate the temperature outside compared with the temperature of gas when it passes through the meter. At the moment FC is unsure if the current AUG requires this. FC added that this could potentially help to inform some of the solutions. **Carried Forward to November 2020**

Action 0604: All to assess the Options Analysis Table in readiness for further discussion at the meeting on 28 July 2020 and to provide feedback directly to Mark.Bellman@scottishpower.com and fiona.cottam@xoserve.com by Monday 20 July 2020.

Update: This Action is now out of date and has been preceded by the latest options paper **Closed**

Action 0701: FC to include AUG 2021 Table and the impact of standard conversion factors in Options Table and update the Workgroup at the next meeting.

Update: This has been included in the Options Table. **Closed**

Action 0702: FC or MB to discuss the impact of Gemini on Option 11 with Phil Lucas at National Grid.

Update: This has been included in the Options Table. **Closed**

2. Review of updated Options Analysis Table to include Thermal Energy Regulations

KD requested FC provide a verbal summary of the options paper and suggested that Workgroup be assigned a self-study action, once that has been completed solutions can be discussed at the next meeting in November.

FC provided a verbalised summary of the paper and explained the structure of the paper and what information is included within each table for each option:

Background: The potential impacts of the use of a single national Conversion Factor on the accuracy of daily gas allocations and therefore on Unidentified Gas (UIG) were highlighted by Xoserve's UIG Task Force in 2019. The estimated impact on UIG and a number of possible solutions/mitigations were presented at a meeting of the UNC UIG Workgroup in January 2019. There was no obvious single solution to the issue and no clear consensus on preferred option(s) to take forwards. Subsequently Scottish Power raised Review 0693 - Treatment of kWh error arising from statutory volume-energy conversion, to review the options and identify a preferred solution.

- **Problem Statement:** the underlying premise for the paper relates to a basic physics problem whereby, as a principle, gases expand when they are warmer. Because gas is metered in volume then converted to energy using the standard conversion factor, this will cause fluctuations in the amount of gas measured. This would reduce UIG in Summer and increase UIG in Winter.
- **Options:**

4 (ii)	Add a new LDZ level factor to the volume-to-energy conversion formula to account for the net difference in energy. The factor would be calculated daily using actual LDZ weather
5	Amend the AUGER process to re-distribute UIG based on estimated impacts of conversion factors (forecast basis)
7	Introduce an LDZ level conversion factor (permanent/per year/per month)
10	Adjust LDZ daily gas inputs to use standard correction
11	Adjust daily gas allocations and subsequent meter point reconciliations to take account of impact of actual weather on metered gas volumes.

- **Structure:** There is a table for each option which covers an overview of the option:
 - How the option addresses the Problem Statement (the benefit);
 - Phases of Settlement addressed;
 - Is the benefit temporary or permanent;
 - Is the option compliant with the Thermal Energy Regs;
 - Would the solution be able to cope with extreme weather;
 - What are the impacts Supplier Billing;
 - Impacts on Market Operations and Gas Prices;
 - Impacts on Industry party systems; Impact on System Operation;
 - Impact on Energy Balancing processes;
 - What are the approx. lead times;
 - What are the governance requirements.

Paul Bedford (PB) asked if System changes would be mandatory to implement. FC provided an example that some Shippers might mimic some of the Xoserve processes in order to check values, if that Shipper still wanted to do that, the Shipper would need to update their own system.

FC added that Option 5 - Amend the AUGER process to re-distribute UIG based on estimated impacts of conversion factors (forecast basis), is effectively already implemented and explained this was not the case when the UIG Taskforce was initialised.

KE asked if there are there some things listed in the tables that are a 'must have', for example, must it be compliant with the Thermal Energy Regulations, and if any of the options are not, that option would immediately be discounted.

KE and FC went on to categorise each of the headings within the tables in order to get a feel for what an option must have:

How the option addresses the Problem Statement (what is the benefit)	The benefit should be permanent
Is the option compliant with the Thermal Energy Regs	The option should be compliant
Would the solution be able to cope with extreme weather?	The option should be able to cope with extreme weather
What are the impacts on Supplier billing	Ideally none (none little or not)
Impact on system operation	It was questioned that if an option had an impact on System Operation, would the option still be viable
What is the impact on Energy Balancing processes	It would be nice for the solution to have a low impact on Energy Balancing
What are the approximate lead times	The lead times should preferably be shorter

It was agreed that workgroup would take the 'must need' and 'likes' discussion into consideration when reviewing the options paper.

KD asked, through the review, was there a particular preference that Xoserve had, is there an Xoserve recommendation?

FC advised that most of the options have quite complicated solutions, all of the options are moving the UIG error around.

KE added that the option of do nothing should be included in the paper and that this will most likely apply to Option 5 as that is what is now in place.

Next steps

New Action 1001: Workgroup to review the options paper and submit comments, including preferred option, to FC. (if preference is for Option 5, this has already been implemented which would mean a 'do nothing' approach if chosen)

3. Development of Workgroup Report

This will be covered at the next meeting in November 2020.

4. Next Steps

KE confirmed the next steps to be:

- Workgroup to review the options paper and submit comments, including preferred option to FC
- Further Development of the Workgroup Report.

5. Any other business

None.

6. Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
Thursday 26 November 2020	Teleconference	Development of Workgroup Report
Monday 14 December 2020	Teleconference	Completion of Workgroup Report

Action Table (as at 22 October 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	23/09/19	2.0	Xoserve to provide update on the meter temperature data exercise from the AUG Subcommittee.	Xoserve (FC)	Carried Forward
0604	16/06/20	2.0	All to assess the Options Analysis Table in readiness for further discussion at the meeting on 28 July 2020 and to provide feedback directly to Mark.Bellman@scottishpower.com and fiona.cottam@xoserve.com by Monday 20 July 2020.	All	Closed
0701	28/07/20	2.0	FC to include AUGE 2021 Table and the impact of standard conversion factors in Options Table and update the Workgroup at the next meeting.	Xoserve (FC)	Closed
0702	28/07/20	2.0	FC or MB to discuss the impact of Gemini on Option 11 with Phil Lucas at National Grid.	ScottishPower (MB) and Xoserve (FC)	Closed
1001	22/10/20	2.0	Workgroup to review the options paper and submit comments, including preferred option, to FC Development of the Workgroup Report	Workgroup	Pending

UNC Workgroup 0734S Minutes
Reporting Valid Confirmed Theft of Gas into Central Systems
Thursday 22 October 2020
via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
David O'Neill	(DON)	Ofgem
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SBr)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0734/221020>

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

1.0 Introduction

1.1. Approval of Minutes

The minutes from 24 September 2020 were approved.

1.2. Approval of Late Papers

There were no late papers for approval.

1.3. Review of Outstanding Actions

Action 0901: KD and FM to discuss what needs to be implemented in SPAA to ensure it remains consistent with UNC

Update: This action update is covered within the agenda for this meeting. **Closed**

Action 0902: CDSP (DA) CDSP to review the process to understand whether it can deliver the solution based on the Business Rules as defined in the Modification:

What is already in place;

What is easy to implement; and

What is considered more a fundamental change.

Update: ER provided a presentation in response to this action which raised further questions. It was agreed that Fraser Mathieson (FM) will discuss with the proposer Steve Mulinganie.

Closed

Action 0903: SPAA (FM) to provide more clarity to cover the requirements for SPAA

Update: This action update is covered within the agenda for this meeting. **Closed**

Action 0904: SPAA (FM) to investigate on what basis can a Shipper object to what is coming from the Supplier.

Update: This action update is covered within the agenda for this meeting. **Closed**

2.0 Consideration of Modification

FM provided a summary of the modification and circumstances under which it was raised and advised that he was seeking agreement of the Business Rules at this meeting which will then in turn drive the Legal Text for this modification to be requested. He advised that the Business Rules were agreed in principle at last meeting held in September and that there is only one Workgroup meeting left before submission of the Workgroup Report to UNC Panel in December 2020. When asked, KE confirmed the next Workgroup meetings will be Thursday 26 November and then Monday 14 December 2020.

FM went on to recap that the key finding from the Joint Theft Reporting Review Group (JTRR) identified that 30% of all confirmed theft did not appear in CMS and therefore does not appear in Settlement.

DA raised a concern that the development of this modification appears rely heavily on the outcome of the JTRR and that this modification needs to be able to stand and progress on its own. He was concerned that when questions are raised, the answer seems to refer to discussions that occurred during the JTRR Group meetings rather than the answers being included in the modification. Secondly, DA advised that he is concerned certain questions that have been raised over the course of the previous Workgroup meetings, regarding the solution, have not yet been addressed but understands they will be covered in the presentation due to be given by FM.

KE confirmed that the meeting was the opportunity to capture conversations and document concerns into the Workgroup Report and agreed that the modification needs to stand on its own and that any answers that were identified in the JTRR Group need to be reflected in the modification.

FM agreed the modification should stand on its own and asked Workgroup to consider that the Proposer sees this as a high-level solution.

Kirsty Dudley (KD) advised that she understands the high-level obligation but that there are some complexities that need to be drawn into the modification and asked if there is a high-level XRN that runs alongside it. She also advised there is a potential that the solution could be being over-engineered, there is a possibility it could be a lot simpler.

KE clarified that she would not want the level of detail to hold up the development of the modification and that the solution needs to be implementable.

ER added that the obligations in Code are quite high-level but there are inconsistencies between SPAA and UNC and highlighted the need to make sure the intention of the modification is relayed into the solution.

KD questioned if this is the right solution if the purpose is to make sure the right quantities of theft are in CMS.

FM went on to provide an overview of the Draft Solution Overview which shows the route that confirmed theft data takes, this route covers 4 separate Codes and Contracts:

SPAA

Theft Reporting Advisory Service (TRAS)

Data Service Contract (DSC)

Uniform Network Code (UNC)

The diagram shown specifies the proposed process, with a monthly confirmed theft output file being provided by TRAS to CMS which automatically updates CMS with confirmed theft volume. Shippers would have the opportunity to review before final reconciliation. Suspected theft records in CMS would be closed once the Shipper has entered the 'Supplier Investigation ID', as evidence the report has been passed to the Supplier.

FM explained the proposed obligation on Shippers to enable a monthly confirmed theft output report to be fed from TRAS to CMS during the review/objection window.

It was mentioned that there are a lot of interactions throughout the different Codes/Contracts which make this suggested solution complicated.

When KD challenged the additional step/obligation that is now a requirement for the Shipper to have the ability to challenge what the Supplier has provided, FM clarified it should be seen more of an opportunity to review what a 3rd party is submitting.

DA added his concern that there are a lot of different Codes and responsibilities that are trying to interface properly and that he suggests Workgroup need to be work through each of the areas to identify the responsible party.

KD suggested this modification may potentially need dual governance.

When asked, KD confirmed the current process is that the Supplier calculates the energy and the Shipper updates CMS.

David Mitchell (DM) added a point of consideration that if there is a Change of Tenancy (COT) event mid-way, that transaction would be going into the settlement process.

Slide 3 – Discussion Points

When discussing the points listed on slide 3 of the presentation provided by FM, KD confirmed that any agreements between Shipper and Supplier needs to be clearly articulated in Code.

KE reminded Workgroup of the main issue the solution is trying to rectify, Shippers failing to enter Theft information into CMS, and asked what was the root cause, JTRR identified as to why that was not happening.

FM clarified it is the Supplier obligation to report all known theft in to TRAS, input to CMS is very manual and is considered to be a significant administrative burden with no functionality to bulk upload.

Workgroup considered 2 options:

1. Is the obligation in Code insufficient and would a revision of the legal text, providing more clarity around the consequences, resolve the issue?

Or

2. Is the obligation clear in Code, including consequences, and therefore would a simplified system resolve the issue?

KE suggested the solution could be to do nothing with Systems and improve obligation in Code.

DA informed Workgroup that the CMS system is currently entering in to a rebuild phase.

KE summarised the discussions:

There will be a rebuild of CMS at some point and asked Workgroup to consider if that would solve this issue but timing needs to be considered? DA advised that, in parallel to this, he will make sure the build team are aware of this issue and added that if this modification is implemented, there will be a requirement to have other parties able to input theft data which would be a large scale development.

The general feeling from Workgroup was that there are too many issues to consider in order to progress the modification within the current timescales.

KE if a Shipper is not doing something they should be doing, then UNC needs to be tightened up and reporting needs to be put in place.

KE advised that she recognises there could be other solutions that could still deliver the intended outcome, but if the solution progresses as suggested, this Workgroup will require more time to deliver as there are too many issues left to work through which means December reporting is not achievable.

For now, FM is to discuss with Steve Mulinganie the options to consider which are:

- A Code change and firm up the reporting
- Raise an XRN only
- A combination of the two

KD raised a question in that, if the data looked at in the JTRR meetings was dated pre-2019, has there been an improvement since the JTTR Group closed? Is there still an issue?

KE also asked if some of the changes already implemented have had any impact and questioned if the issue is still the same?

FM agreed to try to quantify in order to answer the questions raised.

2.1. Issues and Questions from Panel

KE advised that the UNC Modification Panel has asked the Workgroup to consider two specific questions:

2.1.1. Workgroup to consider whether self-governance status is/remains applicable

This will be discussed at the next Workgroup.

2.1.2. Workgroup to consider any potential cross Code impacts and implementation timelines

This will be discussed at the next Workgroup.

3.0 Review of Business Rules

These were discussed as part of the conversation above and will be discussed further at the next Workgroup.

4.0 Consideration of Draft Legal Text

This will be discussed at the next Workgroup.

5.0 Development of Workgroup Report

This will be discussed at the next Workgroup.

6.0 Next Steps

KE summarised the next steps:

- FM is to discuss with Steve Mulinganie the options to consider which are:
 - A Code change and firm up the reporting
 - Raise an XRN only
 - A combination of the two
- FM agreed to try to quantify in order to answer the questions raised
 - KD raised a question in that, if the data looked at in the JTTR meetings was dated pre-2019, has there been an improvement since the JTTR Group closed?
 - KE also asked if some of the changes already implemented have had any impact and questioned if the issue is still the same?

7.0 Any Other Business

None.

8.0 Diary Planning

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

Workgroup meetings will take place as follows:

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Monday 14 December 2020	Teleconference	Distribution Workgroup standard Agenda

Action Table (as at 22 October 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	24/09/20	2.0	KD and FM to discuss what needs to be implemented in SPAA to ensure it remains consistent with UNC.	E.ON (KD) and SPAA (FM)	Closed
0902	24/09/20		CDSP (DA) CDSP to review the process to understand whether it can deliver the solution based on the Business Rules as defined in the Modification: What is already in place; What is easy to implement; and What is considered more a fundamental change	CDSP (DA)	Closed
0903	24/09/20	2.0	SPAA (FM) to provide more clarity to cover the requirements for SPAA	SPAA (FM)	Closed
0904	24/09/20	2.0	SPAA (FM) to investigate on what basis can a Shipper object to what is coming from the Supplier.	SPAA (FM)	Closed

UNC Workgroup 0735 Minutes

UNC Changes as a consequence of the absence of trade agreement/s between the United Kingdom and the European Union ('no deal')

Thursday 22 October 2020

via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alex Mann	(AM)	Gazprom Energy
Andy Clasper	(AC)	Cadent
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve (agenda item 3.0)
Fraser Mathieson	(FM)	SPAA/Electralink
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
India Koller	(IK)	SGN
John Welch	(JW)	PAFA
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Paul Bedford	(PB)	DRAX
Phil Lucas	(PL)	National Grid
Rose Kimber	(RK)	CNG Ltd
Sean McSweeney	(SMc)	E.ON
Steve Britton	(SBr)	Cornwall Insights
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0735/221020

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 November 2020.

1.0 Introduction

1.1. Approval of Minutes (24 September 2020 DWG and 01 October 2020 TWG)

The minutes for both meetings were accepted.

1.2. Approval of Late Papers

Kate Elleman (KE) advised that the modification has been amended and provided to Joint Office on 21 October 2020. Workgroup agreed to consider the amended modification.

1.3. Review of Outstanding Actions

No outstanding actions to review.

2.0 Amended Modification

Phil Lucas (PL) provided an overview of the amendments made to the Modification and explained, as part of the Solution, a table has been added to include the required changes to the Transportation Principal Document (TPD) Section Y – Charging Methodologies.

3.0 Issues and Questions from Panel

3.1. Workgroup are requested to provide views on the potential suitability of Self-Governance status

KE stated that Modification Panel has requested Workgroup to provide views on the potential suitability of the Self-governance status.

PL reiterated that National Grid's view on the proposed governance of this Modification is that self-governance is appropriate based on the fact that the proposed changes to the Modification Rules do not:

- Affect the rights of the industry to be engaged
- Change User of Transporter representation obligations; nor
- Change Ofgem's decision making capacity.

PL requested feedback from Ofgem, ML confirmed that as the proposed changes did not affect the above criteria then self-governance was appropriate.

Workgroup agreed that they should recommend that UNC Panel reconsider its original statement for Authority Direction on the rational as detailed above and within the Workgroup Report.

4.0 Review of Legal Text

Workgroup agreed that the Legal Text provided will deliver the solution.

5.0 Development of Workgroup Report

KE provided a brief overview of the Workgroup Report, which was created as part of the Transmission Workgroup, this report will be updated post this Workgroup meeting and will be submitted to Transmission Workgroup for a final review.

6.0 Next Steps

KE confirmed that the Workgroup Report will go back to Transmission Workgroup for final review and then submission to the November UNC Panel.

7.0 Any Other Business

None.

8.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Thursday 05 November	5pm Wednesday 28 October 2020	Teleconference	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification

2020			<ul style="list-style-type: none"> • Consideration of Business Rules • Review of Impacts and Costs • Review of Relevant Objectives • Consideration of Wider Industry Impacts • Consideration of Legal Text • Completion of Workgroup Report
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Action Table (as at 22 October 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			No outstanding actions		

UNC Workgroup 0736/A Clarificatory change to the AQ amendment process within TPD G2.3 Minutes

Thursday 22 October 2020

via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alex Mann	(AM)	Gazprom Energy
Andy Clasper	(AC)	Cadent
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
India Koller	(IK)	SGN
John Welch	(JW)	PAFA
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Paul Bedford	(PB)	DRAX
Phil Lucas	(PL)	National Grid
Rose Kimber	(RK)	CNG Ltd
Sean McSweeney	(SMc)	E.ON
Steve Britton	(SBr)	Cornwall Insights
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0736/221020.

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 November 2020.

1. Introduction and Status Review

Kate Elleman (KE) welcomed all to the Workgroup.

1.1. Approval of Minutes (24 September 2020)

The minutes from the previous meeting were accepted.

1.2. Approval of Late Papers

KE confirmed that no late papers have been submitted.

1.3. Review of Outstanding Actions

0736 0901: Cadent (AC) to provide a summary for the minutes of what is currently in UNC and what their use is with regards to 50% affiliate in Annex D2, the 33.3% around assignments and the 10% TPD V around confidentiality.

Update: Andy Clasper (AC) confirmed this has been provided in the amended modification.
Closed

0736 0902: All shippers to consider what level of % affiliate was appropriate and provide views to the proposer as to what/why at or ahead of the next workgroup.

Update: AC confirmed this has been provided in the amended modification. **Closed**

0736 0903: Cadent (AC) to make amendment to the wording of Business Rule 1 to define the meaning of grouping / affiliate etc.

Update: AC confirmed this has been provided in the amended modification. **Closed**

0736 0904: Once Cadent have provided the summary of what is currently in UNC and what their use is with regards to New Action 0902, Shippers are to consider which option is more suitable.

Update: AC advised that one response has been received, therefore the modification has been amended to remove the square brackets from the originally suggested 25%. **Closed**

0736 0905: CDSP (DA) and Cadent (AC) to review the financial impact of Users utilising reason code 2 and 4.

Update: AC advised reason code 2 and 4 that are not being addressed as part of Modification 0736 and that this is a clarification modification. Dave Addison (DA) confirmed reason code 2 and 4 will be looked at as part of the wider AQ Review. **Closed**

0736A 0901: SM to add clarification in the Modification around what is meant by retrospection and what adjustments are expected.

Update: Alexander Mann (AM) confirmed this will be covered in the amendments that will be made to Modification 0736A. **Closed**

0736A 0902: CDSP (DA) to look at AQ amendments from Nexus implementation date.

Update: DA clarified he has looked at some AQ corrections, and confirmed there are some anomalies highlighted as part of the analysis, some of which will form the scope of the AQ Review. **Closed**

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

Update: This will be discussed as part of the agenda. **Closed**

2. Amended Modification

Guv Dosanjh (GD) provided an update to Workgroup regarding conversations that have recently taken place with the proposer of the alternative to Modification 0736, Steve Mulinganie, regarding decoupling the two modifications. He explained Modification 0736A needs to run a slightly different timeline to Modification 0736 as the solution is taking longer to conclude due to it having a retrospective element. GD referred Workgroup to *Modification 0479 – Inclusion of email as a valid UNC Communication*, as an example of when decoupling has happened before. For reference, please see UNC Panel minutes 18 December 2014 (www.gasgovernance.co.uk/panel/181214).

GD confirmed UNC Panel will be requested to consider decoupling the modifications at UNC Panel on 19 November 2020. AM also clarified that Steve Mulinganie is supportive of the request.

When asked if Ofgem are supportive of the approach, Max Lambert (ML), confirmed it was a sensible and pragmatic approach which Ofgem would support.

Tracy Saunders (TS) stated there have been changes to the Modification Rules since Modification 0479 and 0479A were decoupled and asked that if the rule on decoupling has been changed

would Ofgem be willing to allow for the decoupling officially? ML advised he will consider this and liaise with the Ofgem UNC Panel representative Liam King but still supported the approach.

AC provided a walkthrough of the changes made to Modification 0736 which are briefly as follows:

- Affiliate is now a Defined Term
- **Why Change** – only one response received regarding the original square bracket figure of 25%, therefore the square brackets have now been removed; Affiliate is a defined term and an explanation of Affiliate added to this section.
- **Solution** – For Business Rule 3 TS asked if this should also include if an Affiliate is no longer in place. AC agreed to consider and advised he may update this Business Rule.
- **Impacts and Considerations** – It was confirmed there is no IGT modification needed; Kirsty Dudley (KD) advised that IGTUNC have previously sent out a For Your Information (FYI) communication out and asked if the same approach can be taken with this modification.

Post meeting note:

There has since been a further amendment to the modification to incorporate Workgroup discussions where the wording for Business Rule 3 has been updated.

3. Review of Modification 0736A

Alexander Mann (AM) advised Workgroup that there have been discussions on the technical solution aspects of Modification 0736A and an updated modification will be submitted accordingly.

DA advised that the nature of the adjustment that would be required and the commodity aspect would be processed through reconciliation. Gareth Evans and Steve Mulinganie (the Proposer) are satisfied that Modification 0736A only affects Transportation Capacity.

Heather Ward (HW) confirmed, as the IGT representative, IGT Transportation Charges are not impacted by this modification.

4. Review of Legal Text

AC provided a walkthrough of the legal text provided and explained the changes are to Section G2.3 – Supply Points.

Post meeting note:

The amendment to the modification to incorporate Workgroup discussions has been processed.

5. Development of Workgroup Report

KE advised she will seek clarification that the Workgroup Report remains a joint Workgroup Report with the recommendation that the modifications are decoupled. Once the modifications have been decoupled, the separated modifications will proceed in their own rights.

6. Next Steps

KE confirmed that on 19 November 2020, UNC Panel will be asked to consider if Modification 0736 and 0736A can be decoupled. If agreed, Panel will also be asked to consider Modification 0736 at the November Panel meeting.

7. Any Other Business

None raised.

8. Review of Outstanding Actions

9. Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Programme
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10:00 Thursday 26 November 2020	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none">• Consider Modification 0736A• Consider Modification 0736 – pending UNC Panel determination
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Action Table (as of 22 October 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No actions outstanding					