

**UNC Distribution Workgroup Minutes**  
**Thursday 31 January 2023**  
**via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Ben Hanley	(BH)	Northern Gas Networks
Ben Mulcahy	(BM)	Northern Gas Networks
Clare Manning	(CM)	E.ON
David Addison	(DA)	CDSP
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	Xoserve
Kathryn Adeseye	(KA)	Xoserve
Kirsty Appleby	(KAp)	National Grid
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Nick King	(NK)	CNG Services
Oorlagh Chapman	(OC)	Centrica
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: [www.gasgovernance.co.uk/dist/310123](http://www.gasgovernance.co.uk/dist/310123)

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: [www.gasgovernance.co.uk/dist/310123](http://www.gasgovernance.co.uk/dist/310123)

**1. Introduction and Status Review**

Rebecca Hailes (RH) welcomed everyone to the meeting and gave a brief overview of the scheduled items for discussion.

**2. Workgroups**

**2.1. 0819 – Establishing/Amending a Gas Vacant Site Process**

(Report to Panel 16 March 2023)

<https://www.gasgovernance.co.uk/0819>

**2.2. 0825 – Removal of the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modification 0434**

(Report to Panel 20 April 2023)

<https://www.gasgovernance.co.uk/0825>

**2.3. 0831 – Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method**

(Report to Panel 16 June 2023)

<https://www.gasgovernance.co.uk/0831>

**3. Any Other Business**

None

#### 4. Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 23 February 2023	5pm 14 February 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 23 March 2023	5pm 14 March 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 27 April 2023	5pm 18 April 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 25 May 2023	5pm 16 May 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 22 June 2023	5pm 13 June 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 27 July 2023	5pm 18 July 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 24 August 2023	5pm 15 August 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 28 September 2023	5pm 19 September 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 26 October 2023	5pm 17 October 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Thursday 10:00 23 November 2023	5pm 14 November 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup
Monday 10:00 11 December 2023	5pm 30 November 2023	Microsoft Teams	Standard Agenda including any Modification Workgroups relating to Distribution Workgroup

**UNC Workgroup 0819 Minutes  
Establishing/Amending a Gas Vacant Site Process  
10:00 Tuesday 31  
via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Aleksandra Cebo	(ACe)	EDF Energy
Clare Manning	(CM)	E.On Next
Claire Louise Robert	(CR)	ScottishPower
Dan Stenson	(DS)	Brook Green Trading
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Guv Dosanjh	(GD)	Cadent
Kathryn Adeseye	(KA)	Xoserve
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	Total Energies Gas & Power
Mark Field	(MF)	Sembcorp
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Steve Mulinganie	(SM)	SEFE Energy Ltd
Tom Stuart	(TS)	Wales & West Utilities
Tracey Saunders	(TSa)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0819/310123>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 March 2023.

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/dist/310123>.

## 1.0 Introduction and Status Review

### 1.1. Approval of Minutes (29 November 2022)

The minutes from the meeting held on 29 November 2022 were approved.

### 1.2. Approval of Late Papers

Rebecca Hailes (RH) advised Workgroup that 3 papers were provided late for Workgroup to consider; Workgroup accepted the late papers.

### 1.3. Review of Outstanding Actions

**Action 0903 (LG):** For Exit Criteria point 4. "AQ (Annual Quantity) Correction has been completed"; needs further clarification with regards to the reason code used.

**Update:** The Entry and Exit Criteria Presentation pack was reviewed as part of the main agenda. No further action. **Closed**

**Action 0904 (LG):** Create flow charts with worked examples to illustrate the Exit Criteria.

**Update:** Lee Greenwood (LG) confirmed the flow charts have been provided and will be reviewed as part of the meeting. **Closed**

## 2.0 Amended Modification

Lee Greenwood (LG) provided a view of the three documents provided for the meeting:

1. Draft Amended Modification
2. Entry & Exit Criteria
  - a. Timeline
3. Amending a Gas Vacant Site Process Guidance Document

**Amending a Gas Vacant Site Process Guidance Document** (draft v1.0 dated November 2022)

LG highlighted that it is up to the Shipper to provide evidence that the site is vacant.

During the review of this document, Workgroup discussed the best terminology to use for person/persons that has attempted to gain access to the property to obtain meter reading and agreed that the *Shipper Authorised Representative* should be used instead of *meter reader* in the paragraph as shown below.

*Shippers must be able to show the meter reader has attempted to visit and access the property to obtain meter reading(s). There must be two visits, at least 3 months apart but no more than 9 months apart, with the latest visit being within 3 months of requested entry to the Gas Vacant process.*

The Guidance Document will be updated accordingly.

Ellie Rogers (ER) clarified that when the CDSP puts the Vacant status on the account and performs their necessary checks, (if there are any actual reads within the time period), the request would be rejected because it does not meet the criteria.

### Draft Amended Modification

The Business Rules were reviewed by Workgroup and certain scenarios pertinent to each Business Rule for consideration were discussed. Where there was specific interaction regarding particular sections of the Modification with the Workgroup, this has been captured within the minutes for each Business Rule.

### Business Rule 2

*Where a Shipper has ensured that the proposed Vacant site criteria has been met and wishes to utilise the Gas Vacant process, the Shipper will notify the CDSP to enter the site into "Vacant status".*

ER clarified that if a Shipper decides to put a Site it into the Vacant Site process, but there are some inflight transactions happening, CDSP would need to consider if the Vacant Site flag goes ahead, and the request would be rejected if there is a shipper transfer waiting to happen.

Workgroup agreed that the CDSP validation rules need to be in the Guidance Document or the Modification itself.

Clarification was provided that the Vacant Site is only pertinent to the current Shipper.

When asked what happens in electricity, it was clarified that if there is a change of supplier, then the vacant status is removed; the new Supplier needs to ascertain their own status for the Site.

### Business Rule 4: Capacity Relief

*Capacity Relief - Where a site has been in a Vacant status for 12 months or more with the same Registered User, the Shipper will have the option to request a change to the Annual Quantity*

*(AQ) of the site to set the AQ to 1 via a new Vacant site “eligible cause” as per Transportation Principle Document (TPD) G 2.3.21 to receive Capacity relief.*

Workgroup noted that if the Registered User remains the same, once the Site is vacant, attempts should still be made to read the meter and records of attempts need to be kept.

#### **Business Rule 5: Exit Criteria**

*A site will trigger the removal from Vacant status when:*

- 1. Change of Shipper or Supplier event (CoS)*
- 2. Supplier of Last Resort (SoLR) event has taken place*
- 3. AQ Correction has been completed*
  - a. If the AQ correction is to 1 the Vacant status remains*
- 4. Site undergoes a Class Change*
- 4. Read is submitted into UK Link*
- 5. ONJOB is submitted into UK Link*

*For the avoidance of doubt, in relation to points 5 and 6, the trigger is the Read or ONJOB being submitted to the CDSP, regardless of it being accepted and processed centrally.*

Based on Workgroup discussion, LG noted refinements to the wording.

It was noted that the SoLR would not apply if the site is in the Special Administration Regime. (The Special Administration Process is used when the Supplier portfolio is above a certain size, this process is used because there are just too many customers to able to do a SoLR.)

- SoLR - the Company has ceased to trade as a Supplier, and Supplier of Last Resort is appointed; the portfolio is moved to them in its entirety.
- Special Administration Regime - the Supplier continues to trade under the administrators and the portfolio remains with them during this time, (which can be months/years), until it is sold or trades out of administration etc.

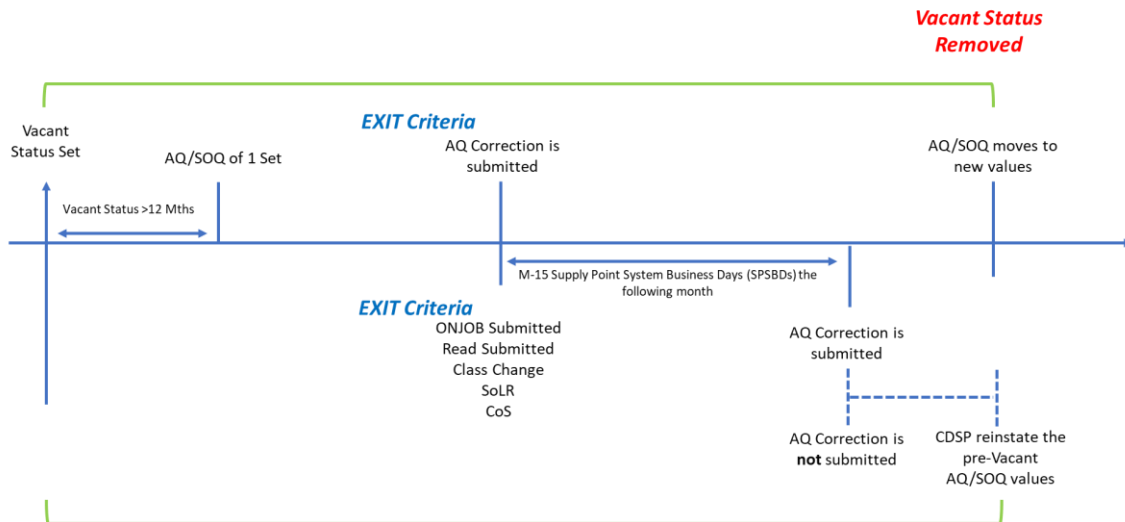
#### **Business Rule 6: Vacant status removal - Settlement and Commodity Relief**

- a) Where the site AQ has not been reduced to 1, the CDSP will remove the Vacant status with Settlement Performance Obligations, Commodity Costs, Daily Allocation and UIG recommencing, when any of the above Exit Criteria are triggered.*
- b) Where the site AQ has been reduced to 1, the Vacant status will be removed in line with the updated AQ becoming effective as per the business rules below.*

It was confirmed that the vacant site flag will not get removed until an AQ correction is submitted.

ER explained that when the AQ correction is submitted by the new Supplier, the AQ/SOQ moves to the new values, that is when the Vacant status is removed.

## Capacity Exit Criteria



**New Action 0101:** Capacity Exit Criteria - CDSP (ER) to confirm the M-15 Supply Point System Business Days the following month scenario when the AQ Correction is submitted and provide some worked examples.

Guv Dosanjh (GD) advised, as Legal Text provider, he does not think Cadent is in a position to formally provide Legal Text. Instead, he proposed that LG makes the relevant amendments to the Modification and Guidance Document, for offline discussion.

Mark Field (MF) noted that where a new supplier might not know of a vacant site and might not update the AQ, this could be missed for a very long time.

Fiona Cottam (FC) provided clarity:

*New AQ Corrections take effect "from and including the first Day of the first month which begins at least 15 Supply Point Systems Business Days after the date on which the User gave notice". TPD G2.3.27.*

When asked, LG confirmed that it has been agreed that a communication can be provided to make a new Shipper/Supplier aware of the Vacant status.

Workgroup considered and agreed that, when a pre-vacant site AQ is reinstated, the backstop date logic should not be applied, therefore, a "for the avoidance of doubt" statement may be required for this Business Rule.

**New Action 0102:** Business Rule 6 - CDSP (ER) to consider a "for avoidance of doubt" statement for when a pre-vacant site AQ is reinstated, this will then be applied to Business Rule 6 in the Modification.

Many scenarios were discussed where Workgroup considered if the scenario; solution and Business Rule would work.

**New Action 0103:** Proposer (LG) to provide more comprehensive flow charts that cover additional scenarios as discussed at Workgroup.

Workgroup requested examples; detailed diagrams and for the flow charts to be placed into the Guidance Document.

### Supplemental

*This Modification also seeks to introduce additional reporting in the Performance Assurance Report Register (PARR) regarding the Vacant sites process. This is likely to include the count*

*of Supply Meter Points where the CDSP have been notified of Vacant criteria being met and the total count of sites that have a Vacant Status and the duration they have had this status.*

**New Action 0104:** Joint Office (RH) to raise awareness of this Modification to the Performance Assurance Committee (PAC) for them to consider what reporting they would like.

### Summary

RH summarised:

- LG to update the solution in the Modification and submit to become v2.0???
- As the Guidance Note will be a UNC Related Document to accompany the Modification, this should be included as an appendix to the Modification
- The Entry & Exit Criteria Flow charts to be included in the Guidance Document
- LG to submit amended Modification, updated Guidance Document and more detailed flow charts

**New Action 0105:** Joint Office (RH) to request Modification extension to May 2023.

### 3.0 Development of the Workgroup Report

The Workgroup Report development will commence at the next meeting in February 2023.

### 4.0 Next Steps

RH noted the next steps as being:

- Proposer to submit amended Modification; updated Guidance Document and Entry & Exit Criteria (New Action 0103).
- Joint Office will raise awareness of this Modification to the Performance Assurance Committee (New Action 0104).
- ER confirmed that CDSP will continue to look at the Rough Order of Magnitude (ROM) and update Workgroup at the next meeting in February 2023.
- Joint Office will request an extension to May 2023 at the next UNC Modification Panel (New Action 0105).

### 5.0 Any Other Business

None.

### 6.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Thursday 23 February 2023	5pm 14 February 2023	Microsoft Teams	Standard Agenda



**Action Table (as at 31 January 2023)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0903	22/09/22	1.0	For Exit Criteria point 4. "AQ Correction has been completed"; needs further clarification with regards to the reason code used.	Proposer (LG)	January 2023	Closed
0904	22/09/22	1.0	Create flow charts with worked examples to illustrate the Exit Criteria.	Proposer (LG)	January 2023	Closed
0101	31/01/23	2.0	<i>Capacity Exit Criteria</i> - CDSP (ER) to confirm the <i>M-15 Supply Point System Business Days the following month</i> scenario when the AQ Correction is submitted and provide some worked examples	CDSP (ER)	February 2023	Pending
0102	31/01/23	2.0	<i>Business Rule 6</i> - CDSP (ER) to consider an 'for avoidance of doubt' statement for when the AQ is reinstated which will then be applied to Business Rule 6 in the Modification	CDSP (ER)	February 2023	Pending
0103	31/01/23	2.0	Proposer (LG) to provide more comprehensive flow charts that cover additional scenarios as discussed at Workgroup to cover all the scenarios covered today	Proposer (LG)	February 2023	Pending
0104	31/01/23	2.0	Joint Office (RH) to raise awareness of this Modification to the Performance Assurance Committee (PAC) for them to consider what reporting they would like	Joint Office (RH)	February 2023	Pending
0105	31/01/23	2.0	Joint Office (RH) to request Modification extension to May 2023	Joint Office (RH)	February 2023	Pending



## bUNC Workgroup 0825 Minutes

### Removal of the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modification 0434

Tuesday 31 January 2023

via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Aleksandra Cebo	(ACe)	EDF Energy
Claire Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON
Dan Stenson	(DS)	Brook Green Trading
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Guv Dosanjh	(GD)	Cadent
Kathryn Adeseye	(KA)	Xoserve
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Field	(MF)	Sembcorp
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0825>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 April 2023

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/0825/310123>

## 1.0 Introduction and Status Review

Rebecca Hailes (RH) welcomed all to the Workgroup.

### 1.1 Approval of Minutes (29 November 2022)

The minutes were approved.

### 1.2 Approval of Late Papers

No late papers to consider.

### 1.3 Review of Outstanding Actions

**Action 0111:** Proposer and CDSP to assess the cost benefit position:

- What does the system solution for Modification 0651 provide (what is the benefit of 0651)?
- What is the justification for Modification 0825 that we no longer need that benefit?

- We know two versions of cost for Modification 0651 implementation, what is the cost of delivering Modification 0825

**Update:** Aleksandra Cebo (ACe) confirmed the information to satisfy this action is included in the presentation pack provided for the meeting.

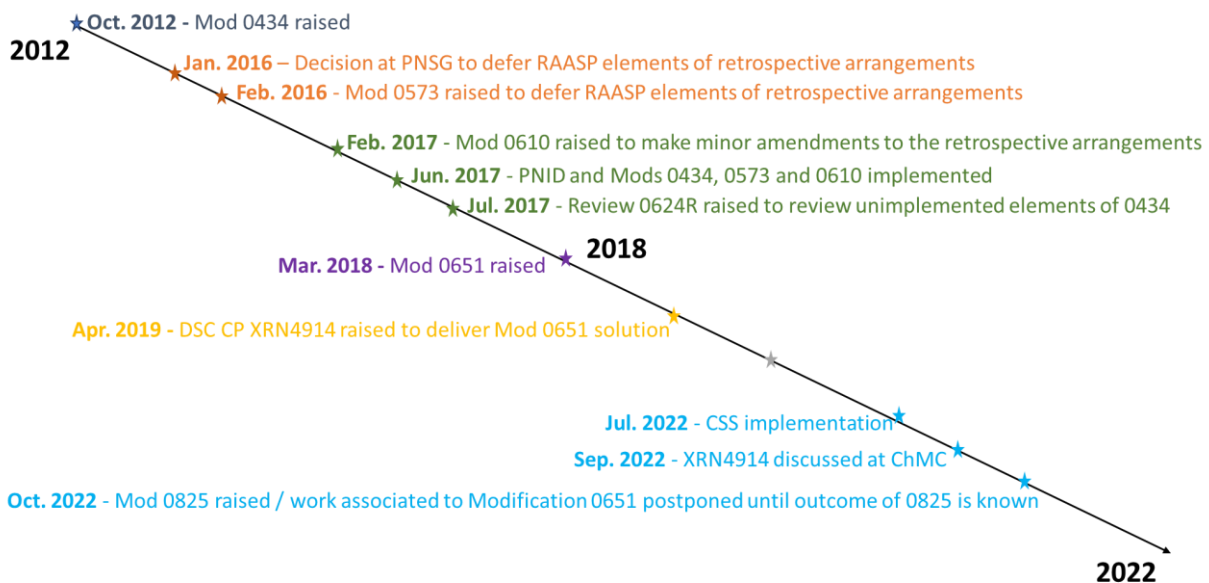
Ellie Rogers (ER) introduced the presentation which covered the following main topics.

(Where there was specific interaction regarding particular slides with the Workgroup, this has been captured within the minutes for each section of the presentation, and full details can be found in the published presentation here: <https://www.gasgovernance.co.uk/0825/310123> )

### Modification 0825 WG actions – Slide 3

### Retro timeline summary – Slide 4

So that everyone has the same understanding of the timeline, (which spans over 10-years), ER provided the following timeline which shows when Modification 0434 - Project Nexus – Retrospective Adjustment was raised through to the submission of this Modification 0825.



To be clear on what has happened, ER highlighted the key points:

- October 2012 - the Project Nexus Modification 0434, including the retrospective elements, was raised;
- 2016 - to defer the retrospective element Modification 0573 - (Urgent) - Project Nexus – deferral of implementation of elements of Retrospective Adjustment arrangements, was raised;
- 2017 - shows some activity with Modification 0610S - Project Nexus - Miscellaneous Requirements being raised which included minor amendments to the retrospective arrangements.
- June 2017 - saw Modifications 0434; 0573 and 0610S being implemented;
- July 2017 - was when Review 0624R - Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address data, was raised to review the unimplemented elements of Modification 0434;
- March 2018 - saw Modification 0651 - Changes to the Retrospective Data Update provisions being raised as a result of findings with Review 0624R;
- June 2021 – the Xoserve Proof of Concept outcome was issued;

- Oct 2022 - Modification 0825 was raised and any work associated with Modification 0651 postponed until the outcome of Modification 0825 is known.

#### **What retrospective arrangements have been delivered – Slide 5**

ER noted the four major elements that were delivered as a result of Modification 0434:

1. Replacement of Meter Readings;
2. Update of Meter Information (asset data);
3. Retrospective update to the Supply Point;
4. Address amendments.

ER advised that the Update of Meter Information (2) is still outstanding, the others have either been implemented or de-scoped.

#### **Modification 0651 – Changes to the Retrospective Data provisions - Slide 6**

The table on this slide highlights the view of what Modification 0651 was looking to achieve and that the scope of retrospective updates that were intended for Modification 0434.

#### **Outcome and position of Modification 0651 – Slide 7**

ER clarified that the UNC Modification Panel held on 16 August 2018 did not agree to recommend implementation of Modification 0651.

As a result of the Ofgem decision, XRN4914 was raised.

#### **Modification 0651 solution - Slide 8**

ER clarified that the information on Slide 9 and Slide 10 sets out what Modification 0651 was intended and not intended for and what was not in scope of 0651 (never had been in scope).

#### **What would Modification 0651 deliver? – Slide 9**

When asked, ER clarified that the solution for Modification 0651 would give an alternative and more automated process and a timestamp activity on the updates.

Clare Manning (CM) noted there is a small amount of data that needs to be corrected which should be considered at some point and that the Proof of Concept provided a couple of years ago showed 1% of data that this would apply to.

#### **High-level summary of 0651 solution - Slide 10**

It was confirmed that the comments on the right hand side of this slide is a list of what is not in scope of Modification 0651 rather than what it will not deliver.

#### **0624R / 0651 Analysis - Slide 11**

#### **Change Proposal XRN4914 (POC overview) – Slide 12**

SM requested that the cost for Option 4 shown in the Solution Analysis is checked as it does not seem to be consistent with the figures in the response for Modification 0651.

**New Action 0101:** CDSP (ER) to confirm the indicative CDSP implementation cost from the 0624R analysis (as shown on slide 12 of the presentation pack).

#### **Change Proposal XRN4914 – Proof of Concept (POC) - Slide 13**

#### **Change in landscape - Slide 14**

ER explained, since the approval of Modification 0651, there have been a number of changes in the industry, shifting the landscape such as:

- Retail Energy Code implementation
  - REC V3.0 went live in line with Faster Switching Programme (CSS) in July 2022.

- It places obligations on organisations required to accede to the REC. This includes Gas Suppliers and Metering Equipment Managers.
  - Under the REC, the Performance Assurance Board (PAB) oversees a risk-based Performance Assurance Framework (PAF).
  - The PAB will assess performance and identify risks and work to improve performance to reduce the risk.
  - To do this, the REC Code Manager is able to apply Performance Assurance Techniques to improve performance.
  - This includes monitoring performance of parties to maintain accurate data.
  - REC has obligations on parties to provide timely updates. The RPA receives information to enable active monitoring of these obligations and how well REC Parties are meeting these obligations
- Smart meter roll-out
    - Within the 0651 Ofgem decision letter, one of the reasons for the decision was the Smart meter implementation and the expected status of this programme in comparison to a 0434 or 0651 solution implementation.
    - The Smart meter roll-out has since matured further following the 0651 decision and the DCC are funded to ensure the smart metering system as a whole works smoothly and the enduring benefits of smart meters are realised.
  - Specific changes:
    - XRN5482 - Replacement of reads associated to a meter asset technical details change or update (RGMA), will provide a mechanism for Shippers to replace an RGMA related read, actual or estimate, where that read is for a read date within their period of ownership.

### **Useful links – Slide 15**

The documentation that relates to the whole timeline shown on slide 3 can be found here:

#### **Modifications:**

[Modification 0434](#) – Project Nexus – Retrospective Adjustment

[Modification 0573](#) - (Urgent) - Project Nexus – deferral of implementation of elements of Retrospective Adjustment arrangements

[Modification 0610](#) - Project Nexus - Miscellaneous Requirements

[Review 0624R](#) - Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address data

[Modification 0651](#) - Changes to the Retrospective Data Update provisions

[Modification 0825](#) - Removal of the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modification 0434

#### **Change Proposal documents:**

[XRN4914](#) - MOD 0651- Retrospective Data Update Provisions

[XRN4914 - Retro Proof of Concept - Step 1 Data Comparison and Aggregation](#)

[XRN4914 - Retro Proof of Concept - Step 2 Deep Dive Analysis - Key Findings](#)

[XRN5482](#) - Replacement of reads associated to a meter asset technical details change or update (RGMA)

This concluded the presentation.

**Next Steps:**

ACe asked parties for any feedback to be sent to Joint Office and cc ACe as Proposer.

RH advised ideally Ace as Proposer could draft a rebuttal to the Relevant Objective statements as to why does Modification 0825 further the Relevant Objectives more than the Relevant Objective 0651.

**Action Carried Forward**

**Action 0211:** Workgroup participants to consider if Modification 0651 should still go ahead and be implemented, in particular, why is it still needed.

**Update:** No comments have been received so far, if any are received, they can be considered as an initial representation. **Closed**

**Action 0511:** Proposer (ACe) to assess the Relevant Objectives for Modification 0651 and update Workgroup on her findings as to how Modification 0651 would further the Relevant Objectives.

**Update:** Deferred to February 2023 Workgroup. **Carried Forward**

**2.0 Amended Modification**

The Modification has not been amended.

**3.0 Development of Workgroup Report**

Deferred to February 2023 Workgroup.

**4.0 Next Steps**

RH confirmed the next steps to be:

- ACe to put more detail into Section 5 of the Modification.
- ACe will liaise with GD and discuss the approach for the Legal Text.
- ACe to consider the Business Rules with the suggestion of providing a change-marked copy of the solution for Modification 0651.

**Post-meeting note:**

A copy of the Word version of the Final Modification Report 0651 has been forwarded to ACe.

- Joint Office will request an extension to June 2023 at the next UNC Modification Panel meeting.

**New Action 0102:** Joint Office (RH) to request an extension to June 2023 at the next UNC Modification Panel meeting.

**5.0 Any Other Business**

None

**6.0 Diary Planning**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 23 February 2023	5pm 14 February 2023	Microsoft Teams	Standard Agenda
Thursday 10:00	5pm 14 March 2023	Microsoft Teams	Standard Agenda

23 March 2023			
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**Action Table as at Action Table as at 31 January 2023**

Action Ref	Meeting Date	Min Ref	Action	Owner	Reporting Month	Status Update
0111	02/11/22	1.0	<p>Proposer and CDSP to assess the cost benefit position:</p> <ul style="list-style-type: none"> <li>• What does the system solution for Modification 0651 provide (what is the benefit of 0651)?</li> <li>• What is the justification for Modification 0825 that we no longer need that benefit?</li> <li>• We know two versions of cost for Modification 0651 implementation, what is the cost of delivering Modification 0825</li> </ul>	Proposer (ACe) and CDSP (PO)	<p><del>November 2022</del></p> <p>January 2023</p> <p>February 2023</p>	<b>Carried Forward</b>
0211	02/11/22	1.0	Workgroup participants to consider if Modification 0651 should still go ahead and be implemented, in particular, why is it still needed	Workgroup	<p><del>November 2022</del></p> <p>January 2023</p>	<b>Closed</b>
0511	02/11/22	2.1.3	Proposer (ACe) to assess the Relevant Objectives for Modification 0651 and update Workgroup on her findings as to how Modification 0651 would further the Relevant Objectives.	Proposer (ACe)	<p><del>November 2022</del></p> <p>February 2023</p>	<b>Carried Forward</b>
0101	31/01/23	1.3	Action 0111: CDSP (ER) to confirm the indicative CDSP implementation cost from the 0624R analysis (as shown on slide 12 of the presentation pack).	CDSP (ER)	February 2023	<b>Pending</b>
0102	31/01/23	1.3	Joint Office (RH) to request an extension to June 2023 at the next UNC Modification Panel meeting.	Joint Office (RH)	February 2023	<b>Pending</b>

## UNC Workgroup 0831 Minutes

### Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method

Tuesday 31 January 2023

via Microsoft Teams

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Aleksandra Cebo	(ACe)	EDF Energy
Andy Clasper	(AC)	Cadent
Claire Louise Roberts	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Howard Gormley	(HG)	Cadent
Kathryn Adeseye	(KA)	Xoserve
Linda Hannaby-Doyle	(LHD)	ScottishPower
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SH)	SGN
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0831>

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 June 2023.

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/0831/310123>

#### 1. Introduction and Status Review

Rebecca Hailes (RH) welcomed everyone to the meeting and gave a brief overview of the scheduled items for discussion.

##### 1.1. Approval of Minutes (29 November 2022)

The minutes from the previous Workgroup were approved.

##### 1.2. Approval of late papers

No late papers were recorded.

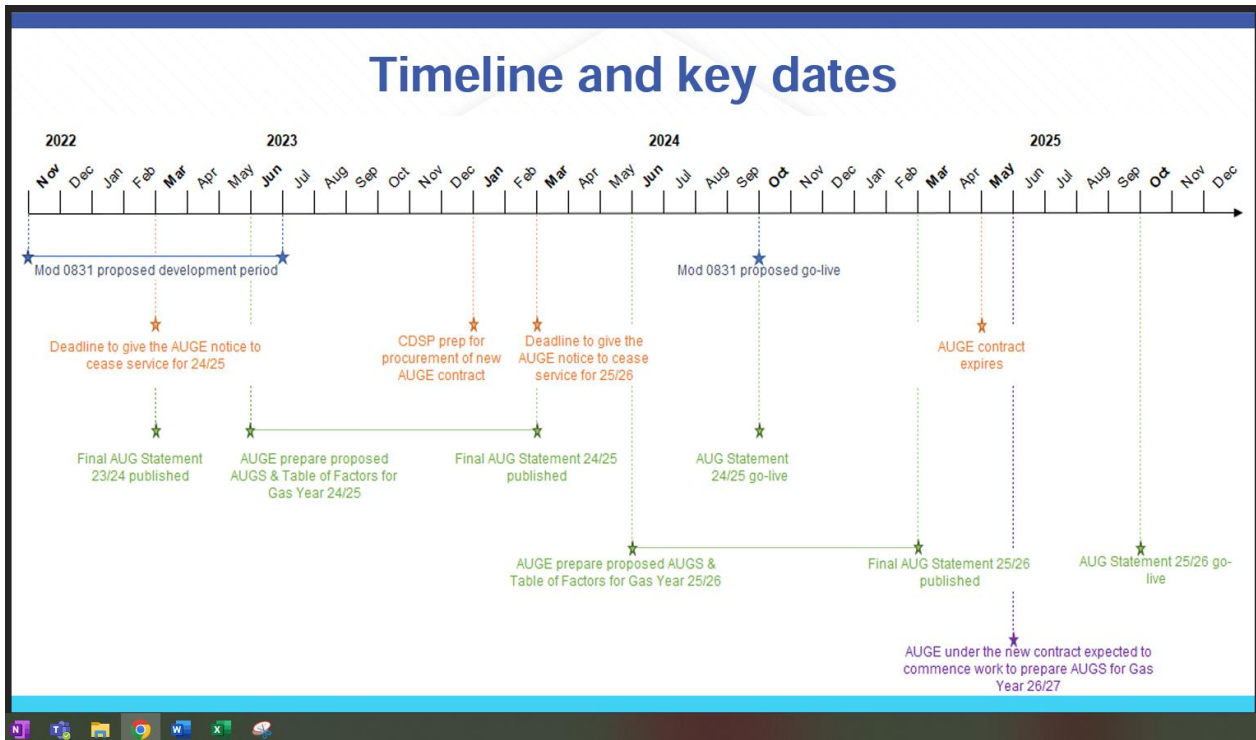


### 1.3. Review Outstanding Actions

**Action 0111:** CDSP to provide information on the AUGE contractual interactions

**Update:** Ellie Rogers provided an update to this outstanding action and clarified that Xoserve currently hold the contract with the Allocation of Unidentified Gas Expert (AUGE) and that this Modification could result in the AUGE no longer being required.

ER provided a view of the timeline which shows the current AUG process as shown:



The following key points were highlighted:

- The Timeline is colour coded to show the timeline from November 2022 through to December 2025; Modification 0831 development; **End of AUGE contract milestones**; **Current Process milestones** and **when works need to commence in preparation for the Allocation of Unidentified Gas Statement (AUGS) for Gas Year 2026/27**.
- The deadline to give the AUGE notice to cease service for 2024/25 is March 2023.
  - The current AUGE contract expires in May 2025 and in January 2024 the CDSP will start to prepare for a AUGE contract.

If implementation was pushed for 01 October 2023, it was clarified that the 2023/24 AUGS would still go ahead in terms of system and industry readiness and there would be an amount of regret spend for work that has already been completed for the 2023/24 AUGS.

When RH asked MJ for comment he advised that there is likely to be an amount of regret spend because the timeline goes so far ahead and that Ofgem may choose to have an implementation date pushed out to October 2026 in order to avoid regret spend.

GE reminded Workgroup that regret spend is a service that has already been committed to use and then a decision is made to not use it, he said this scenario would be more 'spending (or savings lost, or opportunity lost) lost' and added that just because we have an AUGS it does not have to be used.

Workgroup considered that when the Rough Order of Magnitude (ROM) is produced, it will have the element of a typical ROM, (cost for changes to Systems) and also the opposite which will be for a cost saving range for the AUGE process as a whole.

SM suggested the timeline provided on Slide 3 of the presentation provided by CDSP should be reflected in the Implementation section of the Modification.

**Key Points - Slide 4**

Workgroup considered various approaches:

- Roll over the existing table until the end of the 2025 cycle
- Roll the usage of their work over or cease it, or
- Roll over the existing table for an additional year.

It was noted that an Ofgem approval would be for an effective implementation date.

ER clarified there is the ability to terminate the contract where there is no requirement for that process anymore.

**Considering possible approaches - Slide 5**

ER explained the *possible* different ways to manage the contractual arrangements with the AUGE:

- *Proceed with current AUGE process*
  - *AUGE proceed with BAU work to create the AUG Statement for Gas Year 2024/25.*
  - *This will typically commence in May/June 2023 for October 2024 AUGS.*
  - *Under this approach, Xoserve do not instruct AUGE to cease work on the AUG Statement at the end of March 2023.*
  - *This is reviewed in Q1 2024, and possibly repeated again to create the AUG Statement for Gas Year 2025/26.*
- *Notify the AUGE to cease the service*
  - *CDSP notify the AUGE to cease the service by the end of March. We expect the instruction to come from the industry possibly via DSC CoMC.*
  - *AUGE do not commence work on the relevant AUG Statement.*

**Risk / Benefit matrix - Slide 6**

Instruction given to AUGE to cease service AND 0831 approved		Instruction given to AUGE to cease service AND 0831 rejected	
<b>Benefits</b> <ul style="list-style-type: none"> <li>• No regret spend incurred on creation of an AUG Statement which is not required.</li> </ul>	<b>Risks</b> <ul style="list-style-type: none"> <li>• Notifying the AUGE to cease the service before the Modification is approved could put parties in breach of UNC obligations</li> <li>• It is unknown which (if any) industry committee could instruct the CDSP to notify the AUGE to cease the service.</li> </ul>	<b>Benefits</b> N/A	<b>Risks</b> <ul style="list-style-type: none"> <li>• Notifying the AUGE to cease the service before the Modification is approved could put parties in breach of UNC obligations</li> <li>• It is unknown which (if any) industry committee could instruct the CDSP to notify the AUGE to cease the service.</li> <li>• Depending on when the decision is made, it might not be possible for the AUGE to create the AUG Statement in time and at a minimum they would have an expedited timeline to do so.</li> </ul>
AUGE continue BAU work on the AUG Statement AND 0831 approved		AUGE continue BAU work on the AUG Statement AND 0831 rejected	
<b>Benefits</b> <ul style="list-style-type: none"> <li>• Existing UNC obligations are met.</li> <li>• The CDSP do not require an instruction from the industry to give notice to the AUGE to cease the service.</li> </ul>	<b>Risk</b> <ul style="list-style-type: none"> <li>• Regret spend is likely as the AUGE will continue to create the AUG Statement which would not be required following the 0831 decision.</li> </ul>	<b>Benefits</b> <ul style="list-style-type: none"> <li>• Existing UNC obligations are met.</li> <li>• The CDSP do not require an instruction from the industry to give notice to the AUGE to cease the service.</li> <li>• An AUG Statement is created and available as per the BAU process timeline.</li> </ul>	<b>Risks</b> N/A

SM noted the need for hesitance and stated that the AUGE determines a value and applies the weighting factors and that Model error and due to the aftereffects of Covid-19, volatility is still being seen although prices seem to be levelling off now.

Mark Field (MF) noted that the solution to this Modification does not remove UIG volatility but might suppress it.

When asked how the Modification would be implemented, it was confirmed that the vision would be LDZ by LDZ.

It was noted that the solution for this Modification could add an impact for Shippers depending where their portfolio lands geographically and that this Modification would remove volatility in UIG calculations year on year but moves the cost of UIG from one place to another.

Workgroup discussed alternative solutions and RH reminded Workgroup that if there is an alternative solution that is wished to be pursued, an alternative Modification can be raised.

### **Action Closed**

## **2. Amended Modification**

The Modification has not been amended.

Workgroup considered the Initial Representation provided by Sembcorp Energy UK. Mark Field (MF) was invited to provide an overview of the Initial Representation which can be viewed here: <https://www.gasgovernance.co.uk/0831>.

Workgroup discussion:

- The UIG Table could have some 0 (zero) factors.
- It was noted that the vast majority of UIG is theft and that downstream theft is the responsibility of Suppliers and the Retail Energy Code (REC).
  - SM asked why Shippers are managing downstream theft – it is a matter for Suppliers and the REC.
- There is a lot more transparency on the level of UIG since Nexus implementation.
- In terms of what the Modification is attempting to incentivise, if the Modification is not making any incentive, UIG will not reduce the volatility.

It was clarified that the Legal Text should be straightforward to remove reference to the AUGE but will be less easy to remove the UIG Table. With this in mind, as the UIG Table has impacts to Demand Forecasting, it was suggested to keep the UIG Table in the Code and, if this Modification is implemented, a second Modification can be raised to take the UIG Table out of Code.

ER clarified it will be a relatively simple approach to deliver the solution of this Modification, it will be almost reversing for Modification 0473 - *Project Nexus – Allocation of Unidentified Gas*, solution.

MJ confirmed an amended Modification will be submitted prior to the next Workgroup meeting.

<b>New Action 0101:</b> Proposer (MJ) MJ to consider providing statements in response to each of the UNC Modification Panel questions for Workgroup to consider at the next meeting.
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## **3. Development of Workgroup Report**

Development of the Workgroup Report was deferred to the next meeting which will be held on 23 February 2023.

## **4. Next Steps**

- MJ will provide an amended Modification based on Workgroup discussion and will provide more detail in the Solution; Business Rules and include the UIG Table with factors of 1.
- Alternative solutions to be brought to Workgroup for discussion.

- ER will confirm timescales for the ROM.

**5. Any Other Business**

None.

**6. Diary Planning**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month).

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 23 February 2023	5pm 14 February 2023	Microsoft Teams	<ul style="list-style-type: none"> <li>• Standard Agenda</li> </ul>

**Action Table (as at 31 January 2023)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0111</b>	29/11/22	2.1.1	CDSP to provide information on the AUGE contractual interactions.	CDSP (FC/ER)	<b>Closed</b>
<b>0101</b>	31/01/23		Proposer (MJ) MJ to consider providing a statements in response to each of the UNC Modification Panel questions for Workgroup to consider at the next meeting	Proposer (MJ)	<b>Pending</b>