

**UNC Workgroup 0855 Minutes  
Settlement Adjustments for Supply Meter Points impacted by the  
Central Switching System P1 Incident**

**Thursday 31 August 2023**

**via Microsoft Teams**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HCh)	Joint Office
Steve Mulinganie (Proposer)	(SM)	SEFE
Alice Davis	(AD)	EGD
Andy Clasper	(AC)	Cadent
Cathy Mulliss	(CM)	E.ON Next
Charlotte Gilbert	(CG)	BU UK
David Addison	(DA)	Xoserve
David Mitchell	(DMi)	SGN
David Morley	(DMo)	OVO Energy
Mark Jones	(MJ)	SSE
Mark Weston	(MW)	NPower
Oorlagh Chapman	(OC)	British Gas / Centrica
Sharon Dudley	(SD)	Xoserve
Tom Stuart	(TSu)	WWU
Tracey Saunders	(TS)	Northern Gas Networks

*The Workgroup Report is due to be presented at the UNC Modification Panel by 21 September 2023.*

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

*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/0855/310823>*

**1.0 Outline of Modification / Initial Discussion**

On behalf of the Proposer Steve Mulinganie (SM), David Addison (DA) introduced the Modification and explained it seeks to address any settlement discrepancies arising from the Central Switching System (CSS) Priority 1 (P1) incident in July 2023.

DA provided the background to Modification 0836S - Resolution of Missing Messages following CSS implementation and integration with REC Change R0067. This provided a solution for 360 instances of missing messages, giving the right for Xoserve to initiate the registration of supply points and insert a meter read. Some of the components of Modification 0836S will be utilised for Modification 0855.

DA explained the discrepancy between CSS and UK Link systems registration effective dates and the need to take into account the element of retrospection in relation to the CSS P1 incident, to allow for adjustments.

DA outlined the two resolution paths:

- a. cancellation of Registrations that had passed (or were about to reach) their Supply Effective From Date in CSS, and resubmission for a subsequent Supply Effective From Date – meaning that the Original Intended Supply Start Date was not achieved; or

- b. waiting for the Switching Operator to issue retrospective Secured Active Notifications – leading to a discrepancy between the UKL Registration Effective from Date and the Supply Effective From Date in CSS (CSS Registration Effective from Date).

DA informed the Workgroup that Shippers will be provided with information on the cancelled registrations.

David Morley (DMo) enquired about the settlement process, the allocation/misallocation, the balancing out and the actual materiality, suggesting if the materiality is minimal, it may not need an intervention by the CDSP. DA was not able to provide a view of the total misallocation in kWhs or a total settlement value at this stage. However, it was recognised that some Shippers will have a net positive settlement, some net negative and there may be some that balance. DA confirmed that the net effect will be adjusted through the invoicing process. The intent of the Modification is to put right the settlement to ensure the costs and energy involved in the event are allocated correctly.

SM noted all parties have been given the read estimates, therefore parties will be aware of the impact of correcting the consumption.

Concern was expressed by DMO that there is little analysis to measure the materiality challenging the inclusion of domestic properties. DA noted that during the life cycle of this Modification, the full impact will not be known. The projection indicated that c84k registrations with a total supply point AQ of 1.25TWhs of AQ had been affected. DMO requested that analysis is provided to support the view that this modification is required as the issue is material. There is a view, particularly in the domestic market that losses and gains net each other off to the point that there is no significant impact on settlement.

DA noted the concern but could not confirm analysis at this level of granularity could be provided, as the CDSP would be basing its analysis on the estimated reads provided to support the registration and it was unknown as to the level difference that actual reads would change the estimated reads on an individual site and by portfolio.

SM felt the analysis would not be available in time for the modification to proceed as quickly as required and would not provide any additional evidence for support or not. The modification aims to mitigate a risk to settlement in the order of 1.25TWh and it should not be left to chance that netting off would materially impact this risk. It was not his intention to delay the modification while waiting for the analysis to be concluded.

DMo was still concerned that without the analysis requested it would prove difficult for parties to take a view on if the modification should or should not be implemented. Particularly if the information concerning the number of intra-company transfers was included in the 80k impacted transfers and if a significant proportion of these are domestic sites.

Mark Jones (MJ) noted when testing for materiality although in aggregate the impact could be significant some parties with limited switching may have no or very limited impact.

DMo expressed concern that the domestic market will be impacted more than the non-domestic market, noting that OVO Energy is expecting a significant impact in terms of the number of site to be processed.

SM believed it was appropriate for all supply points non-domestic and domestic to be corrected and if there was a difference in opinion in the proposed approach to include domestic properties, an Alternative Modification to exclude Domestic Supply Points and not correct the settlement discrepancy could be raised.

DMo enquired about the impact and timing of the Modification and if it would be impacted by the 'line in the sand'. DM asked what the impact would be of not implementing the Modification within a short timescale. SM expressed the intention to correct the error and fix the energy as soon as reasonably practical to ensure Shipping arrangements are aligned.

DA noted there will be a time-lapse from when the Modification's solution is implemented, to allow time to replace meter readings and issue standard adjustments which would result in the

final resolution extending beyond three months.

The Workgroup considered if there was any impact to the 3-Year Line in the Sand and if the impact was an associated impact beyond 01 April 2024.

The Workgroup considered the invoice adjustment and setting a deadline for replacing the meter readings within 28 days from CDSP issuing the CSS Registration Effective Date Meter Reading. It was noted there was a preference from Shippers to utilise the meter reading for the original registration date as the settlement read.

DMo asked about the need to provide meter readings within 28 days as opposed to a longer period for example 12 months. It was considered that a shorter timetable would be suitable to address the settlement sooner rather than later. DA explained that a within 28 days approach would allow the adjustments to be issued end of February, which equates to 21-24 weeks. This would enable the change to fit within the DSC Change Management timetable. If this is extended this would require the need to allocate an ad hoc change release.

The Workgroup considered the timing of implementation and whether a Month+3 approach would be more suitable. When discussing the Issue Invoice Adjustment DMO suggested that 28 Days was too short and asked if there was a need to keep to such a challenging timescale when 3 months would be reasonable from a system and settlement perspective. SM agreed with this view as this would be similar to the approach taken for Modification 0836S and confirmed an amended modification would be provided to include this and other changes agreed.

Intergroup transfers were discussed and the ability for parties to opt out of the settlement correction to allow flexibility and avoid adjustments for internal portfolio transfers. It was anticipated that there could be two-thirds of the impacted supply points which are intergroup transfers. Some parties may wish for the adjustment to be undertaken and others may prefer to opt-out and manage this internally.

DMo enquired if the split of non-domestic versus domestic sites was known and if Xoserve would be able to provide a view. The Workgroup considered using the domestic premises indicator to retrieve information for the gaining supplier to allow the Workgroup to review.

DA agreed to undertake two actions:

<b>New Action 0801:</b> Xoserve (DA) to provide a view of the impacted Aqs for intergroup transfers
---

<b>New Action 0802:</b> Xoserve (DA) to provide a view on the number of impacted domestic premises for gaining Suppliers.
---

The Workgroup considered the prospective registrations and the exclusion of these from the scope of the Modification.

The Workgroup also considered cancelled switches whereby the Supplier had re-submitted a transfer for a new date. It was noted that these sites will not require CDSP intervention with regards to the registration but there is a potential for settlement issues as the consumer contract will not align with the Supplier retail systems. Once a list of these can be issued to the gaining Shipper consideration can be given on whether to include these within the scope of the Modification.

The Workgroup reviewed the process for agreed Meter Read replacements and the desire to avoid any consumer impact by using the CSS read. It was agreed that the CDSP will re-issue the relevant meter reads to the incoming and outgoing Users.

DA shared an initial draft of the Legal Text, noting that this draft was still to be reviewed by the proposer. The Workgroup considered the initial Legal Text provided for the Modification noting some minor changes will be made to the Modification and the Legal Text will need updating to reflect an extended period for submitting meter reads (M+3), not requiring materiality test, and the process around the warranting of re-submitted registrations. A number of edits were made to reflect the changes agreed to the business rules and it was agreed the final draft should be made available for Workgroup consideration at the next meeting.

DA advised a ROM is being prepared and should be available for the next meeting. SM enquired about the ROM and the interaction with Modification 0836S noting the need to avoid any double counting. SM requested that any shared cost benefits for changes required by Modification 0836S should be highlighted in the ROM. DA clarified there will be no reduction costs for 0836S however the ROM for 0855 will explain the interactions with useable parameters from Modification 0836S and will not double count for existing functionality.

**1.1. Issues and Questions from Panel**

BF noted that one question had been raised at the August UNC Modification Panel. This will be captured in the draft Workgroup Report and a Workgroup response is to be considered.

*Question: Is the impact of the P1 incident on Shipper’s material, if customers retained or lost are netted off?*

SM confirmed this has been considered.

**1.2. Initial Representations**

None received.

**1.3. Terms of Reference**

As matters have been referred from Panel a specific Terms of Reference will be published alongside the Modification at [www.gasgovernance.co.uk/0855](http://www.gasgovernance.co.uk/0855).

**2.0 Next Steps**

- Provision of the ROM
- Amended Modification
- Amended Legal text
- Conclusion of Workgroup Report for September Modification Panel

**3.0 Any Other Business**

None.

**4.0 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	Workgroup Programme
10:00 Friday 08 September 2023	5 pm Thursday 31 August 2023	Microsoft Teams	<ul style="list-style-type: none"> <li>• Provision of the ROM</li> <li>• Amended Modification</li> <li>• Amended Legal text</li> <li>• Conclusion of Workgroup Report</li> </ul>

0855 Workgroup Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0801	31/08/23	1.0	Xoserve (DA) to provide a view of the impacted AQS for intergroup transfers	September 2023	CDSP (DA)	Pending

<b>0855 Workgroup Action Table</b>						
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Reporting Month</b>	<b>Owner</b>	<b>Status Update</b>
<b>0802</b>	31/08/23	1.0	Xoserve (DA) to provide a view on the number of impacted domestic premises for gaining Suppliers.	September 2023	CDSP (DA)	<b>Pending</b>