

UNC Distribution Workgroup Minutes
Thursday 23 June 2016
at Elexon, 4th Floor, 350 Euston Road, London. NW1 3AW

Attendees

Angela Love	(AL)	ScottishPower
Andy Clasper	(AC)	National Grid Distribution
Bob Fletcher (Chair)	(BF)	Joint Office
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Byrne*	(DB)	National Grid Distribution
David Mitchell*	(DM)	Scotia Gas Networks
Edd Hunter	(EH)	RWE npower
Fraser Mathieson	(FM)	Scotia Gas Networks
Gareth Evans*	(GE)	Waters Wye Associates
John Burke	(JB)	National Grid Distribution
Kirsten Elliott-Smith*	(KES)	Cornwall Energy
Lorna Lewin	(LL)	DONG Energy
Mark Jones*	(MJ)	SSE
Mike Berrisford (Secretary)	(MB)	Joint Office
Phil Lucas	(PL)	National Grid NTS
Rachel Hinsley	(RH)	Xoserve
Richard Fairholme*	(RF)	Uniper
Richard Pomroy*	(RP)	Wales & West Utilities
Sarah Blewer*	(SB)	Xoserve
Sean Hayward	(SH)	Ofgem
Vickey King	(VK)	National Grid Distribution

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/dist/230616>

1. Introduction and Status Review

1.1. Approval of Minutes (26 May 2016)

The minutes of the previous meeting were approved.

1.2. Modification(s) with Ofgem

No modifications to consider at this time.

1.3. Pre-Modification discussions

1.3.1. Inclusion of CSEP Supply Meter Points within NDM Sampling Arrangements

Introducing the draft modification, CB explained that this was a simple modification with no direct iGT related impacts (i.e. no corresponding iGT modification would be needed).

During a brief review of the suggested legal text, CB confirmed that the intention is only to remove the current restrictions contained within the legal text within UNC TPD Section H, paragraph 1.6.10, which is being implemented as part of Modification 0440 - Project Nexus – iGT Single Service Provision.

Whilst the general consensus was that the modification once raised could go directly out to consultation, an action was placed on C Warner, to liaise with Dentons to ascertain a view as to why TPDH, paragraph 1.6 was inserted into Code originally, and whether there would be any potential issues associated with its removal.

New Action DX0601: National Grid Distribution (CW) to liaise with Dentons to ascertain a view as to why TPDH, paragraph 1.6 was inserted into Code originally, and whether there would be any potential issues associated with its removal.

1.3.2. Review the options to remove the use of Fax machines within the UNC

CB explained that the remit for this draft Request has been widened at the request of the GDNs.

When it was suggested that parties may have invested time and effort to retain facsimile provisions, CB pointed out that it is hoped that development of the review would / could identify various options and that analysis of facsimile usage during Emergency Events suggests that the time is right to consider possible changes. CB also advised that the iGTs are moving away from dependence on facsimile.

The Workgroup consensus supported undertaking a review and that the Request should be submitted to Panel.

BF suggested that initially a review would / could fall under the Distribution Workgroup banner, but remarked that it could also be considered within the Transmission Workgroup arena in due course. He also suggested, and parties present agreed, that four Workgroup meetings would suffice (three to discuss the detail and one to complete the Workgroup Report.

2. Workgroups

2.1. 0585 – Separation of NTS and National Grid owned networks – Calculation of Code Credit Limit and Value at Risk

(Report to Panel 21 July 2016)

<http://www.gasgovernance.co.uk/0585/230616>

2.2. 0570 - Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum

(Report to Panel 17 November 2016)

<http://www.gasgovernance.co.uk/0570/230616>

2.3. 0571 0571A – Application of Ratchets Charges to Class 1 Supply Points Only (and Class 2 with an AQ above 73,200KWhrs)

(Report to Panel 18 August 2016)

<http://www.gasgovernance.co.uk/0571/230616>

3. Issues

None raised.

4. Review of Outstanding Actions

DX0501: ~~Xoserve (SN)~~ [DNs](#) to provide information on the process for recording the ownership of connecting pipework in a sub-deduct arrangement.

Update: AC suggested, and those present agreed, that this action would be better served placed against the DNs rather than Xoserve.

AC then went on to indicate that National Grid Distribution has identified 190 instances where only the address information is available (i.e. no email or telephone contact information is available). CW suggested that irrespective of who owns the pipework, it is who registers the sub deducts that is the important factor. He also pointed out that the DNs will not be able to remove all instances of primes and subs installations across their networks.

During a brief discussion around protecting customer's rights and responsibilities (i.e. contractual aspects and impacts etc.), it was suggested that it might be prudent for CB to discuss the matter with her legal contracts team to ensure they were aware of how these sites existed in law.

CW advised that irrespective of the issue of ownership, the GDNs would always attend in an Emergency and make safe. **Carried Forward**

DX0502 (transferred from 0564R – 0501): National Grid Distribution (AC) to clarify what costs were incurred for abortive visits related to vacant or no access 'must reads'.

Update: AC explained that as far as DNs levying costs are concerned, the following scenarios apply:

- 3 site visits and if no access is gained they leave a card – this invokes a cost regardless of whether or not a read is obtained.
- 3 site visits, but no card issued does not invoke a cost.

RH advised that charges vary by Network as defined within the respective ACS. **Closed**

DX0503 (transferred from 0582S – 0501): National Grid Distribution (CW) to investigate the Credit Limits affects of the proposed Credit Risk modification to confirm no credit risk from a historic reconciliation perspective.

Update: In acknowledging that this action relates to UNC Modifications 0585 and 0582S, those in attendance agreed the action could now be closed, as there is no perceived credit risk involved. **Closed**

DX0504 (transferred from 0564R – 0502): National Grid Distribution (AC) to provide a detailed and comprehensive response regarding the risks of a Shipper not signing the contract.

Update: CW read out a series of brief statements as follows:

- A Gas Transporter has a requirement to offer transportation arrangements on specified terms – and NGGD has explained to shippers that it will sign an agreement to accede to the UNC and offer those same terms – none of this is changing;
- Shippers who require services on NGGD's network are required to sign up to the Shipper Framework Agreement (SFA) – none of this is changing;
- NGGD will be carrying out a thorough communications exercise to ensure that all Shippers have the SFA they need to sign with an explanation of what the agreement is and what they need to do in order to brief their colleagues;
- This pack will be sent out to shippers in the next week or so using their Xoserve-held contact details (this has now been done);
- Shippers will have access to NGG plc and legal experts to answer any questions they have (commercial, legal, financial or otherwise), through their usual contacts, through a box address or where specifically indicated;

- We will contact Shippers over the summer to ensure they are on track to sign and return the SFA;
- The SFA needs to be signed and returned at any time prior to 2nd September but will not come into effect until the transfer of the licence, and
- If no SFA is received by 02 September then NGGD will escalate within Shipper organisation and/or to Ofgem (unless comfortable that the SFA is imminent).

Closing discussion, CW advised that this matter is a crucial NGD consideration. **Closed**

5. Any Other Business

5.1. The Workgroup agreed that regular updates should be made to the Distribution Workgroup on the changes to the 'must read' process

AC explained that National Grid Distribution are still discussing with Xoserve when the extension of the 'must read' process is to start. NGDs aspiration was for a start date of September / October 2016. It is thought likely that this will slip (potentially into 2017) due to constraints on Xoserve's time / resources to develop the process.

5.2. Energy Balancing Credit Committee (EBCC) Membership – Reminder (*R Fairholme*)

RF provided a brief overview of the presentation previously given at the Transmission Workgroup meeting on 02 June 2016 during which he also made reference to the proposed Opus Modification 0587 'Seasonal energy balancing credit cover' that is expected to directly or indirectly impact all Shippers.

During a brief discussion the Workgroup noted that there are pro's and con's relating to the proposed funding of the so called 'experts', with some parties voicing concerns that the proposals could set unwelcome precedents. BF explained that part of the development of the proposed modification involves consideration of the legal aspects associated to the possible funding solutions (*M Cockayne of Xoserve is a good contact should anyone wish to discuss requirements in more detail*).

It was also suggested that there could / would be practicality issues relating to ensuring that any 'experts' attend meetings on a regular basis (i.e. notification and availability considerations etc.). When asked, BF also explained that whilst the UNCC can appoint members to the EBCC, it cannot force them to actually attend.

In noting that considerably more work is needed on the modification, it was pointed out that the EBCC tends to be better supported when there are significant industry issues being discussed as there is a perceived risk, however attendance was reducing each year.

It was also suggested that completion of the Joint Office Single Point of Contact (SPoC) exercise would / could have a bearing on the development of the proposed modification and therefore EBCC membership going forward.

Concluding, RF explained that raising the proposed modification is his and the EBCC's least preferred option, preferring to enhance EBCC membership by other means. BF pointed out that once raised, the proposed modification would possibly reside under either the Transmission or Governance Workgroup.

6. Diary Planning

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

Distribution Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
10:30 Thursday 28 July 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Standard Agenda items • <i>Other – to be confirmed</i>
10:30 Thursday 25 August 2016	Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR	<ul style="list-style-type: none"> • Standard Agenda items • <i>Other – to be confirmed</i>
10:30 Thursday 22 September 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Standard Agenda items • <i>Other – to be confirmed</i>

Action Table (26 May 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DX0501	28/04/16	4.	To provide information on the process for recording the ownership of connecting pipework in a sub-deduct arrangement.	DNs	Carried Forward
DX0502 <i>(transferred from 0564R 0501)</i>	26/05/16	4.	To clarify what costs were incurred for abortive visits related to vacant or no access 'must reads'.	National Grid Distribution (AC)	Update provided. Closed
DX0503 <i>(transferred from 0582S 0501)</i>	26/05/16	1.0	To investigate the Credit Limits affects of the proposed Credit Risk modification to confirm no credit risk from a historic reconciliation perspective.	National Grid Distribution (CW)	Update provided. Closed
DX0504 <i>(transferred from 0582S 0502)</i>	25/05/16	1.0	To provide a detailed and comprehensive response regarding the risks of a Shipper not signing the contract.	National Grid Distribution (CW)	Update provided. Closed
DX0601	23/06/16	1.3.1	To liaise with Dentons to ascertain a view as to why TPDH, paragraph 1.6 was inserted into Code originally, and whether there would be any potential issues associated with its removal.	National Grid Distribution (CW)	Pending