

UNC Workgroup 0619 Workgroup Minutes

0619 - Application of proportionate ratchet charges to daily read sites;

0619A - Protection from ratchet charges for daily read customers with an AQ of 732,000kWh and below;

0619B - Application of proportionate ratchet charges to daily read sites.

Thursday 23 November 2017

Xoserve Limited, Lansdowne Gate, 65 New Road, Solihull, B91 3DL

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Andrew Margan	(AM)	Centrica
Andy Clasper	(AC)	Cadent
Angela Love *	(AL)	Scottish Power
Chris Warner	(CWA)	Cadent
Claire Towler	(CT)	SSE
Colin Blair *	(CB)	Scottish Power
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Debbie Brace	(DB)	National Grid NTS
Emily Wells *	(EW)	Corona Energy
Gareth Evans	(GE)	Waters Wye
Gavin Anderson *	(GA)	EDF Energy
Jeremy Guard	(JG)	First Utility
Jon Dixon *	(JD)	Ofgem
Kathryn Turner *	(KT)	Good Energy
Lorna Lewin	(LL)	Orsted
Mark Jones	(MJ)	SSE
Nicky Rozier *	(NR)	BUUK
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy	(RP)	Wales and West Utilities
Roger Somoo	(RS)	Utility Warehouse
Shanna Key	(SK)	Northern Gas Networks
Steve Mulinganie	(SM)	Gazprom
Steven Britton *	(SB)	Cornwall Insight

* via teleconference

Copies of all UNC meeting papers are available at: <https://www.gasgovernance.co.uk/0619/231117>

The UNC Workgroup Report is due to be presented at the UNC Modification Panel by 21 December 2017

1.0 Introduction and Status Review

1.1. Approval of Minutes (26 October 2017)

The minutes of the previous meeting were approved.

2.0 Review of Modification 0619

SM confirmed the modification was been sufficiently developed and is unlikely to change and therefore impact the production of legal text.

3.0 Review of Alternate Modification 0619A

DM provided a summary of the changes made since the last meeting, adding more explanation for clarity and that the modification includes sites with an AQ of 73,2000 kWh or below.

AM enquired if this is the same regime where sites below a certain threshold will be excluded from ratchets but those above still included. DM confirmed that is the case and that the ratchet charges will not change for those above 73,200kWhs.

DM was satisfied that the solution had been sufficiently developed.

SM requested if the Joint Office could provide a word version of the Workgroup Report, on the website, to allow parties to extract text. It was also suggested it would be beneficial if a summary table/matrix could be provided to highlight the differences between the three modifications.

4.0 Review of Alternate Modification 0619B

AM provided a summary of the recent changes to the solution. It was explained that some felt the current ratchet regime is a penal charge, and there are views that there should be an incentive to get the SOQ right, the SOQ on its own is not enough, and that they were proposing an incentive rate of 10% should be applied.

AM was however unclear at this stage of the assessment process if the suggested charge would be capped PMSOQ, it was not clear if the incentive rate was reasonable and therefore it should be monitored. He suggested a Shipper ratchet performance report would effectively enable parties to monitor and assess if incentive uplift should be changed in the future. It was recognised that the table would add complexity.

SM asked about the HSE and Ofgem issues and relevance to this Workgroup. GE confirmed that he had taken an action to express any concerns to Ofgem and raise the fact that there are prior examples for considering the safety related issues associated with modifications.

GE confirmed conversations have been held with Ofgem and there is a memorandum of understanding published on the Ofgem website with key points that both Ofgem and the HSE will co-operate to ensure they fulfil their statutory duties.

AL explained that parties may not get to see the safety case, and suggested the Panel ask for the Transporters to comment on what the issues are. SM clarified that the Transporters can only comment on their own safety case not that of others as they are Transporter specific documents.

The Workgroup requested that Xoserve produce the ROM for 0619B and suggested that the Legal Text could also now be produced. RP asked that AM removed any square brackets within the modification and submit a final amended version of the Modification for the production of Legal Text.

DA registered the request for the ROM and the Joint Office agreed to send an email formally requesting the ROM.

New Action 1101: Joint Office to request a ROM for Modification 0619B following confirmation the modification has been amended.

5.0 Review of ROM(s)

SM asked about the progress and position of the ROM requests.

DA confirmed that the ROM for 0619 required an update, the ROM for 0619A had been requested and he had now registered the request for the 619B ROM. He confirmed that Xoserve had a view of costs for each of the elements and hoped to lift and shift what is relevant for 0619B for a comparative cost.

6.0 Consideration of Legal Text

RP confirmed that the legal text for 0619 was completed, 0619A is in progress and 0619B will be started once the final version was published.

7.0 Development and Completion of Workgroup Report

It was anticipated that for the next meeting all modifications will have been finalised. The Joint Office would publish a word version of the draft Workgroup Report, a table/matrix would be produced to summarise the differences between the modifications and Legal Text will have been produced.

The intention will be to conclude the Workgroup Report at the next meeting. However, an extension will be necessary for submission to the January UNC Panel.

RP asked if the reports will be anonymised for 0619B for the Shipper ratchet performance report. AM clarified that PAC members can see open reports but the report would be otherwise anonymised.

AL explained the process for additional/new reports to PAC. She suggested that this would need permission and possibly permission in iGT UNC, for the information and to create an anonymised report to include this within the PAC schedule, to include it is within the suite of PAC reports. AM suggested not to mandate the report to be looked at by PAC, however there will be an obligation to produce and publish an anonymised report. If PAC wish to request the same information under the auspices of PAC they would be in a position to do so. He made it clear this was not an obligation on PAC. AM also did not want to be explicit by setting out where the report would be published.

It was discussed and agreed that if PAC require the report this would require a modification, however PAC could initially consider the anonymised report to monitor behaviours.

AL confirmed that PAC are looking at what reports are available the industry.

8.0 Review of Actions Outstanding

1001: Joint Office to request a ROM for Modification 0619A following confirmation the modification does not require further amendment.

Update: DA confirmed the ROM has been requested. DA noted possibility that the costs for 0619 may have been understated and Xoserve needed to re-align the ROMs. **Closed.**

9.0 Next Steps

BF confirmed that the proposer for Modification 0619B is going to formally submit amendments to the modification.

The intention will be to complete the Workgroup Report at the next meeting which will be deferred until 05 January 2018. Therefore, an extension will be requested.

10.0 AOB

None.

11.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:30 Thursday 14 December 2017	Elexon, 350 Euston Road, London, NWE1 3AW	Cancelled
10:30 Friday 05 January 2018	Energy UK, Charles House 5- 11 Regent Street, London SW1Y 4LR	<ul style="list-style-type: none"> • Standard Agenda items • <i>Review of Modifications 0619/A/B</i> • <i>Consideration of legal text</i> • <i>Development and Completion of Workgroup Report</i>
10:30 Thursday 25 January 2018	Solihull venue to be confirmed	<i>Standard Agenda items</i>
10:30 Thursday 22 February 2018	Elexon, 350 Euston Road, London, NWE1 3AW	<i>Standard Agenda items</i>
10:30 Thursday 22 March 2018	Solihull venue to be confirmed	<i>Standard Agenda items</i>

Action Table (as at 23 November 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1001	26/10/17	3.0	Joint Office to request a ROM for Modification 0619A following confirmation the modification does not require further amendment.	JO (BF)	Closed
1101	23/11/17	4.0	Joint Office to request a ROM for Modification 0619B following confirmation the modification has been amended.	JO (BF)	Pending