

UNC Workgroup 0647 Minutes

Opening Class 1 reads to Competition (including IGT Modification 119 – Opening Class 1 read services on IGT Meter Supply Points to Competition)

Thursday 24 January 2019

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Andy Clasper	(AC)	Cadent
Chris Warner	(CW)	Cadent
Dave Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Edward Fyfe*	(EF)	SGN
Ellie Rogers	(ER)	Xoserve
John Cooper*	(JC)	BUUK
John Welch*	(JW)	npower
Kate Mulvany	(KM)	Gazprom
Lorna Lewin*	(LL)	Orsted
Louise Hellyer*	(LH)	Total Gas & Power
Mark Jones*	(MJ)	SSE
Radhika Kalra*	(RK)	E.ON
Richard Pomroy	(RP)	Wales & West Utilities
Rowan Hazell*	(RH)	Cornwall Energy
Shanna Key	(SK)	Northern Gas Networks
Steve Mulinganie*	(SM)	Gazprom
Tracey Saunders	(TS)	Northern Gas Networks

*via teleconference

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0647/240119>

1. Introduction and Status Review

Bob Fletcher (BF) welcomed everyone to the meeting.

1.1. Approval of Minutes (17 December 2018)

The minutes from the previous meeting were approved.

2. Review of Amended modification

Not applicable.

3. Review of Business Rules

Not considered at this meeting.

4. Review of Impacts and Costs

Dave Addison (DA) provided an overview of the Rough Order of Magnitude (ROM) response highlighting the high level of change impacts in relation to SAP ISU, the Portal, CMS and SAP BW.

SAP ISU

In relation to SAP ISU he highlighted that readings will be provided by Shippers and not Transporters via the DMSP. He suggested that it will not be a large reduction in complexity to use the DLC file rather than the proposed UDR file. Richard Pomroy (RP) acknowledged that not using the DLC file is likely to open up the market to other Users. In relation to the decommissioning of the MDR file he stated that previously he had indicated this would be done but there is a need to continue to use it.

Portal

The changes needed will allow Shippers to process changes such as fault updates and site visit reads for Class 1 Supply Meter Points. He reported that the transitional changes take into account the complexity including maintenance of the table. A validation (rejection code) has been included on the DNC file.

DA provided an indication of the costs of the enduring solution which would be between £125,000 and £226,000 to implement. In addition, costs to support the Transition phase would be between £250,000 and £377,000.

In response to a question from RP on the transition phase costs, he confirmed that specifically skilled analyst resources would be needed in terms of a meter reading and invoicing specialist. Initial views were that transition would require similar support to that required for market trials and this would require the specialist skills.

DA acknowledged the costs are higher than anticipated, suggesting that he was not sure how costs could be mitigated other than by reducing the complexity of the solution or duration of transition.

RP provided a brief walkthrough of the short presentation provided for the meeting in response to the ROM. He highlighted that the cost of Transition is approximately two-thirds of the total cost. He questioned whether this change could be considered as value for money given that there are approximately 427 Class 1 Supply Meter Points, so the cost for each one ranges from £880 to £1410. He then proposed 2 options:

- a. Reconsideration of transition – whether transition is needed and if not whether other changes to cutover are required? Or whether the costs of the transition can be reduced.
- b. Reconsideration of whether the Modification should progress in its current form. Consideration of whether DMSPs should use current .DCL files which was originally seen as sub-optimal as it facilitated less competition than the preferred solution.

[DA commented on \(b\) and said that he did not think that this would have much effect on the costs.](#)

Workgroup suggested 2 options, the first is to reduce the transition period to 2 months and the second to reconsider how the same output could be achieved but by making changes to the design of the transition phase. The options discussed included:

- Portal - Limiting access to the party providing the read. DA suggested that the Shipper will need to be able to make online adjustments and not just have read access.
- [Removal of liabilities](#)—Removing use of [the](#) table [that listed the date the responsibility transferred to the Shipper](#) could reduce costs. SM expressed concern about the potential impact on UIG and did not consider it appropriate to make perfunctory changes to simply reduce costs.

RP repeated his previous acknowledgment that the proposed transition costs are high for the number of sites required, adding that the costs need to be considered as part of the wider costs and resource pressures for 2019/20, including the wider scope of significant changes planned. Efficiency of spend is therefore likely to be a key factor.

RP sought a view from Shippers on reducing the transition period to 2 months. He highlighted that if a direction to implement from Ofgem was received over the summer for a June 2020 implementation, then there would be adequate time for Shippers to plan and contract with service providers and impacted consumers. SM acknowledged this timescale could be achievable but also highlighted the complexity due to secure (for example MOD) and remote access sites, as well as new sites that are not yet known. He also suggested that some sites may not be in a position to proceed yet.

RP agreed to explore options for reducing costs with Xoserve and provide an update at the next meeting.

New Action 0101: Wales & West Utilities (RP) to explore options for reducing transition costs and/or complexity with Xoserve and provide an update at the next meeting.

SM also suggested that [since this modification forced Shippers to take on the responsibility](#) it would be helpful to understand which arrangements can be continued with existing service providers. RP agreed, although he reminded participants that DNOs did not use that same providers or contract for the same services.

New Action 0102: DNOs to provide details of DM service contracts and confirmation of which contracts could be transferred/novated to Shippers.

5. Consideration of Legal Text

RP advised that whilst he had had some initial thoughts on the Legal Text he was not yet in a position to submit Legal Text for Workgroup consideration.

6. Development of Workgroup Report

The agenda item was deferred to the next meeting.

7. Review of Outstanding Actions

Action 1201: Wales & West Utilities (RP) to consider amending the current provisions in TPD M 5.6 to align the obligations for read submissions for Class 1 and Class 2 sites.

Update: RP confirmed that he will include an obligation for Class 1 and 2 reads to be submitted by D+5 in the amended Modification with the last time for processing the UDR file as 3pm. Workgroup agreed to close this action. **Closed**

Action 1202: Wales & West Utilities (RP) to clarify the term ‘network management purposes’.

Update: RP confirmed that this will be actioned in the amended Modification and that it will not be a defined term in the UNC. Workgroup agreed to close this action. **Closed**

Action 1203: Joint Office (BF) to submit a formal ROM request to Xoserve for Modification 0647 subject to receipt of an amended Modification.

Update: BF confirmed that this was actioned and that a further request for revised costs will not be necessary, so this action was closed. **Closed**

Action 1204: Transporters to consider what assistance can be provided to Suppliers and Shippers to support the implementation of the Modification and transition to the new regime.

Update: RP confirmed that the amended Modification will include a requirement for site contact information and that changes that may lead to the incurring of costs are not planned. GDPR implications in relation to data permissions will need to be considered. Workgroup agreed to close this action. **Closed**

8. Next Steps

BF concluded the Workgroup discussion by confirming the next steps. He suggested that the current timetable to report to the March Modification Panel was ambitious given the discussion on costs and therefore suggested an extension to June.

Workgroup agreed to extend the reporting timescales to June.

9. Any Other Business

None.

10. Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10:30, Thursday 28 February 2019	Elaxon, 350 Euston Road, London NW1 3AW	<ul style="list-style-type: none"> Review of Amended Modification Review of the Business Rules Review of Legal Text Review of Impacts and Costs Development of Workgroup Report.

Action Table (as at 24 January 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1201	17/12/18	2.0	Wales & West Utilities (RP) to consider amending the current provisions in TPD M 5.6 to align the obligations for read submissions for Class 1 and Class 2 sites.	WWU (RP)	Closed
1202	17/12/18	2.0	Wales & West Utilities (RP) to clarify the term 'network management purposes'.	WWU (RP)	Closed
1203	17/12/18	7.0	Joint Office (BF) to submit a formal ROM request to Xoserve for Modification 0647 subject to receipt of an amended Modification.	Joint Office (BF)	Closed
1204	17/12/18	7.0	Transporters to consider what assistance can be provided to Suppliers and Shippers to support the implementation of the Modification and transition to the new regime.	Transporters	Closed
0101	24/01/19	4.0	Wales & West Utilities (RP) to explore options for reducing transition costs and/or complexity with Xoserve and provide an update at the next meeting.	WWU (RP)	Pending
0102	24/01/19	4.0	DNOs to provide details of DM service contracts and confirmation of which contracts could be transferred/novated to Shippers.	DNOs	Pending