

UNC Workgroup 0862
Amendments to the current Unidentified Gas Reconciliation Period
arrangements
Thursday 28 March 2024
via Microsoft Teams

Attendees		
Dan Simons (Chair)	(DS)	Joint Office
Niamh Holden (Secretary)	(NH)	Joint Office
Andy Clasper	(AC)	Cadent
Catriona Ballard	(CB)	Brookgreen Supply
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DMi)	SGN
Edward Allard	(EA)	Cadent
Ellie Rodgers	(ER)	CDSP
Fiona Cottam	(FC)	CDSP
Helen Bevan	(HB)	PAFA
Josie Lewis	(JL)	CDSP
Louise Hellyer	(LH)	Total Energies Gas & Power
Mark Jones	(MJ)	SSE
Rebecca Hailes	(RHa)	Joint Office
Susan Helders	(NGN)	NGN
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	NGN

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, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0862/280324>.

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 April 2024.

1. Introduction and Status Review

Dan Simons (DS) welcomed all parties to the meeting.

Steve Mulinganie (SM) provided a brief overview of the Modification, explaining that it proposes amendments to the current Unidentified Gas Reconciliation Period arrangements to reconcile UIG to the same months that the energy originated from (instead of smearing over the previous 12 months).

1.1 Approval of Minutes (22 February 2024)

The minutes of the previous meeting were approved.

1.2 Approval of Late Papers

No late papers to approve.

1.3 Review of Outstanding Actions

0201: CDSP (FC/ER) to consider the inclusion of a 4-month fictional UIG Reconciliation example in the Annex Slides.

Update: Ellie Rodgers (ER) advised that this action had been completed, noting that Fiona Cottam (FC) had reviewed the Annex Slides and provided a 4-month example to allow variation and additional context. ER advised that the slides had been updated and can be found at: <https://www.gasgovernance.co.uk/0862/280324>

Action: Closed.

0202: JO to submit a formal Legal Text request to Cadent at the next UNC Panel Meeting on 21 March 2024.

Update: DS advised that a formal Legal Text request had been made.

Action: Closed.

2. Amended Modification

No Amendments to the Modification were presented.

3. Review of Processes

Refer to Section 4.0 for the discussion on Business Rules Development.

4. Business Rules Development

SM advised that the Business Rules are relatively simple, in that there is only one to consider. SM noted that following feedback from Kathryn Adeseye (KA), Business Rule 2 had been removed to provide additional clarity.

ER shared the amended Business Rule text with the Workgroup and noted the following amendments:

- **Removal of BR2:** *This Change is to the UIG reconciliation period and will not result in changes to meter point reconciliation.*
 - SM noted that BR2 is covered within BR1 Note 3 and therefore is not needed.
- **Addition of BR1 Note 5:** *For the avoidance of doubt, it is anticipated that the new UIG Reconciliation Period will be effective from the Modification implementation date. For avoidance of doubt, this means that no transitional arrangements to implement this Modification will be required.*
- **Addition of BR1 Note 6:** *For the avoidance of doubt, LDZ Offtake Reconciliations, as defined in the UNC TPD E7.3 and other reconciliation processes that currently feed the UIG smear will adhere to the new logic. This means that they will be calculated for the impacted months (which could include months from the current billing month back to the LIS date). This is anticipated to happen as a result of update the UIG Reconciliation Period stated within TPD E.7.1.2.*

SM noted that they were not introducing any change, but these were useful notes for the Legal Text provider. ER agreed, stating that it helps ensure that the first round of Legal Text drafting is as thorough and encompassing as possible.

ER noted that the simplicity of the Business Rules reflect that the Modification proposes a simple change.

5. Legal Text Review

Deferred to 25 April 2024.

6. Development of Workgroup Report

DS shared the draft Workgroup Report with the Workgroup, raising points where further discussion or amendment may be needed.

DS questioned whether it was still believed that the Retail Energy Code (REC) would be impacted by the implementation of the Modification. SM believed this was put in as a check point, however, did not believe there would be any significant impact on the REC. FC advised that there is nothing changing in terms of the retail arrangements, and therefore did not believe it would impact REC. DS agreed to remove this from the Report.

When discussing Cross Code impact, SM advised that there may be impact to the IGT UNC to consider but this was subject to confirmation. Charlotte Gilbert (CG) agreed to raise this once draft Legal Text had been produced.

New Action 0301: CG to consider the potential impact on IGT Code, following review of Legal Text.

Governance

DS verified with the Workgroup that the Proposers assessment that Authority Direction is warranted for this Modification. ER noted her support of this. There were no further comments from the Workgroup.

Impacts & Other Considerations

When discussing Consumer Impacts, the Workgroup agreed that the existing arrangements lead to the smearing of UIG over the last 12 months despite it relating to a different period and this is a difficult concept to explain and to forecast for Consumers.

DS questioned whether it was still believed that there would be no impact on PAC. FC confirmed that it doesn't create any new shipper obligation which PAC would have to respond to, therefore believed it had no impact.

DS verified that there were no EU Code Impacts with the Workgroup.

DS noted that there was a preliminary Rough Order of Magnitude (ROM) produced, questioning whether a further ROM was required. ER advised that nothing had changed since the preliminary ROM, suggesting that the provisional statement and reference to further ROM could be removed and the preliminary ROM could be resubmitted.

New Action 0302: CDSP (ER) to resubmit ROM following removal of provisional statement and references to further ROMs being produced.

Relevant Objectives

DS questioned whether the Workgroup agreed with the Proposers assessment of the impact on the Relevant Objectives. No responses were received.

SM noted that the Report should state that no responses were received, instead of the Workgroup agreed as it fetters discretion. SM stated that this amendment would give parties flexibility when submitting responses.

Annex Slides

The Workgroup discussed the inclusion of the Annex slides within the Workgroup Report. It was agreed that each slide should be included as they provide further context to the Modification.

DS noted that a copy of the drafted Review Group report is published at: <https://www.gasgovernance.co.uk/0862/280324> and that an updated version will be produced.

7. Next Steps

- Review Legal Text.
- Determine timeline for implementation of Modification.

8. Any Other Business

No other business was raised.

9. Diary Planning

0862 Meetings are listed at: <https://www.gasgovernance.co.uk/0862>

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 25 April 2024	17:00 Wednesday 17 April 2024	Microsoft Teams	• Review of Legal Text
10:00 Thursday 23 May 2024	17:00 Wednesday 15 May 2024	Microsoft Teams	• TBC

0862 Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0201	22/2/2023	3.0	CDSP (FC/ER) to consider the inclusion of a 4-month fictional UIG Reconciliation example in the Annex Slides.	March 2024	CDSP (FC/ER)	Closed

0862 Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0202	22/2/2023	4.0	JO to submit a formal Legal Text request to Cadent at the next UNC Panel Meeting on 21 March 2024.	March 2024	JO	Closed
0301	28/3/2024	6.0	IGTs (CG) to consider the potential impact on IGT Code, following review of Legal Text.	May 2024	IGTs (CG)	Pending
0302	28/3/2024	6.0	CDSP (ER) to resubmit ROM following removal of provisional statement and references to further ROMs being produced.	April 2024	CDSP (ER)	Pending