

Joint Office of Gas Transporters

November 2019 NEWSLETTER

Welcome to the Joint Office of Gas Transporters Newsletter, we hope you find this a useful addition to your inbox. It is issued on a monthly basis and is intended to provide an overview of what is happening across the Uniform Network Code (UNC) governance arena. In this Newsletter, we have provided an overview of progress across everything we do, please refer to the Table of Contents below.

At A Glance....

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Email: enquiries@gasgovernance.co.uk

Tel: 0121 288 2107

Meet the Joint Office of Gas Transporters Team.

www.gasgovernance.co.uk/jointoffice/staff

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Implementation Dates

UNC Ref	Title	Date
0651	Changes to the Retrospective Data Update provisions	to be determined
0681S	Improvements to the quality of the Conversion Factor values held on the Supply Point Register	to be determined
0703S	Correction to Modification 0698S 'Improvements to Margins Notice Arrangements'	25 November 2019

New Modifications discussed at October Panel

0703S – Correction to Modification 0698S 'Improvements to Margins Notice Arrangements' http://www.gasgovernance.co.uk/0703	<ul style="list-style-type: none"> This Modification will follow self-governance procedures. This Modification does not meet the Fast Track self-governance criteria. This Modification has been issued to consultation which closes on 25 October 2019. The Final Modification Report will be presented to the Extraordinary Panel Meeting on 01 November 2019.
0704S – Review of Transporter Theft Reporting http://www.gasgovernance.co.uk/0704	<ul style="list-style-type: none"> This Modification will follow self-governance procedures. This Modification will be considered within the Distribution Workgroup on 24 October 2019. Initial representations for consideration at Workgroup are requested no later than 07 November 2019. Workgroup report to be presented by 16 April 2020 Modification Panel.
0705R – NTS Capacity Access Review http://www.gasgovernance.co.uk/0705	<ul style="list-style-type: none"> A new Request Workgroup will be established. Request 0705R will be considered within the Transmission Workgroup on 07 November 2019. Initial representations for consideration at Workgroup are requested no later than 07 November 2019. Workgroup report to be presented to the 15 October 2020 Modification Panel.

Existing Modifications for Reconsideration discussed at October 2019 Panel

None	
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Workgroup Reports discussed at October 2019 Panel

0677R – Shipper and Supplier Theft of Gas Reporting Arrangements http://www.gasgovernance.co.uk/0677	<ul style="list-style-type: none"> Panel extended the reporting date to 21 November 2019 to enable further consideration of the joint SPAA/UNC Workgroup Report.
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Variation Requests discussed at October 2019 Panel

None

Final Modification Reports discussed at October 2019 Panel

0680S – UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union
<http://www.gasgovernance.co.uk/0680>

- Deferred for further consideration at the Extraordinary Panel on 01 November 2019 Panel.

0687 – Creation of new charge to recover Last Resort Supply Payments
<http://www.gasgovernance.co.uk/0687>

- Panel reviewed and accepted the changes to the Legal text by unanimous vote.
- The Final Modification Report has been re-submitted to Ofgem for a decision.

0695S – Obligations on Shippers to pass Transporter compensation payments on to consumers, via Suppliers
<http://www.gasgovernance.co.uk/0695>

- No new issues were identified.
- Panel recommended 0695S was suitable for implementation by unanimous vote.
- Modification to be implemented on 08 November 2019.
- Deadline for appeals is 07 November 2019.

Extraordinary Panel 01 November 2019

Variation Requests discussed at 01 November 2019 Extraordinary Panel

0680S – UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union
<http://www.gasgovernance.co.uk/0680>

- Panel determined that the Variation Request was not material.
- Modification 0680S was withdrawn.
- The Final Modification Report 0680VS will be presented to the 21 November 2019.

Final Modification Reports discussed at 01 November 2019 Extraordinary Panel

0703S - Correction to Modification 0698S 'Improvements to Margins Notice Arrangements'
<http://www.gasgovernance.co.uk/0703>

- No new issues were identified.
- Panel recommended 0703S was suitable for implementation by unanimous vote.
- Modification to be implemented on 25 November 2019.
- Deadline for appeals is 22 November 2019.

Distribution Workgroup Headlines

www.gasgovernance.co.uk/dist

At the meeting on 24 October 2019 the following items were discussed/progressed:

- **0692S** - Automatic updates to Meter Read Frequency:

The development of this proposal is now complete, with the Workgroup Report being finalised at the meeting. The legal text was included in the report, along with a point of clarification in terms of the treatment of Non-SMETS and SMETS1 meters.

- **0694R - Agenda CDSP provision of Class 1 Read service:**

The Workgroup focussed on WWU's revised draft Modification Proposal that would see a shift in responsibility for the provision of Class 1 meter readings from the relevant transporter to common service provision by the CDSP. Discussion at the meeting principally focussed on detail as to how the contracting and charging arrangements would transfer to the CDSP and how the current performance related liability regime would cease

Following the meeting, a Modification Proposal has been received by the Joint Office and will be presented to the November Panel, with an expectation that this Review Group will then close.

- **0697S – Alignment of the UNC TPD Section V5 and the Data Permissions Matrix**

Development of the proposal focussed on the reasons for the inclusion of the Citizens Advice Bureau in the Data Permissions Matrix, (DPM), and how access by Industrial and Commercial customers is controlled.

The workgroup was also informed that Performance Assurance Framework Administrator, (PAFA), data access aspect of this modification was likely to re-drafted as stand-alone proposal.

- **0699 - Incentivise Key Areas of Performance using additional UIG Charges:**

An amended proposal was discussed with a revised UIG related meter reading performance charge calculation included as a potential solution. Discussion of the proposal again focused on the appropriateness of determining a meter reading performance incentive charges using UIG and how the charge and supporting detail would be presented on an invoice. Given the level of development work still to be undertaken, a request to extend the Workgroup so that it reports to April Panel has been received.

- **0701 – Aligning Capacity booking under the UNC and arrangements set out in the relevant NExAs**

Discussion of this proposal was deferred to November Workgroup.

- **0702S – Introducing 'Research Body' as a new User type to the Data Permissions Matrix and UNC TPD Section V5**

In a similar vein to 0697, this proposal seeks to define and establish a new data user type, ("Research Body"), in both the UNC and the DPM. Discussion at the meeting again centred on how a research body could be defined generically, and the processes which would be used to control individual requests for data.

- **0704S – Review of Transporter Theft Reporting (New to Distribution Workgroup)**

This proposal was raised following a joint SPAA / UNC review group investigating Shipper and Supplier Theft of Gas Reporting Arrangements (0677R): this proposal will concentrate on reporting Transporter investigated cases of Theft of Gas. The proposal seeks to rationalise reporting arrangements, drawing largely of the Transporters' existing Regulatory Reporting pack, and setting them out in the UNC.

Other Matters Discussed:

- **Review of Modification 0700 (Urgent) Enabling large scale utilisation of Class 3 & associated legal text**

Xoserve reported that the Class 3 population now stood at 2m and appeared set to increase further.

No operational issues were reported.

Other Workgroups

- **0646R - Review of the Offtake Arrangements Document and 0683S - Offtake Arrangements Document (OAD) Review Updates – Phase 1:**

The November meeting was deferred to allow for the preparation of Legal Text for Modification 0683S.

- **Joint Theft Reporting Group (UNC & SPAA), including 0677R**

No further Workgroup meetings have been planned and the Request Workgroup Report and joint SPAA/UNC report is to be presented to the November Panel.

Transmission Workgroup Headlines www.gasgovernance.co.uk/tx

At the meeting on 07 November 2019 the following were discussed/progressed:

- **Pre-Modifications** – Angela Fletcher (AF) from Ancala Midstream Acquisitions Ltd (AMAL) presented the draft Modification on behalf of OMV Gas Marketing and Trading GmbH. This enabling Modification is seeking to facilitate an increase in oxygen limit in the Network Entry Agreement at the SAGE Terminal between National Grid Gas Plc and SAGE North Sea Limited (SNSL) and that it is proposed to increase the limit from 0.001 mol% (10 ppm) to 0.01 mol% (100 ppm). (AMAL) are seeking to bring new Norwegian gas volumes into the National Grid via the St Fergus SAGE gas terminal and that OMV Gas Marketing and Trading GmbH's Norwegian affiliate was a co-owner of these gas volumes.

The solution to this issue, was to increase the permitted oxygen content of the gas in the SAGE Network Entry Agreement from 0.001 mol% to 0.01 mol%. This increased level would remain well within the level of 0.2 mol% allowable under the Gas Safety (Management) Regulations. It would also appear to be significantly lower than the limits permitted at several other NTS entry points.

- **0662 - Revenue Recovery at Combined ASEPs** – development deferred awaiting the outcome of Modification 0678 and its alternatives.

- **Capacity Access Review**

NTS presented the Capacity Access Review presentation to the Workgroup for its consideration in order to initiate discussion and opinions, which encompassed the main functions of the access regime, as defined below:

- Provides signals for investment
- Manages network access where there is a short-term constraint
- Provides Users with commercial certainty on network access
- Collects transporter allowed revenue

Jennifer Randall (JR) National Grid, asked the Workgroup to provide their views and suggestions on what they thought were the problems and issues with gaining access to the NTS and develop options for 'Reformed Capacity', and to include thoughts on the alternatives.

This feedback is to be provided to Jennifer Randall Jennifer.Randall@nationalgrid.com by 22 November 2019 and this information will be assessed and presented at the next Transmission Workgroup which is being held on 05 December 2019, where all suggestions will be discussed, along with the 'mission statement' for the Access Review, production of a Work Plan and scope consideration for the forthcoming consultation..

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCMF) www.gasgovernance.co.uk/dncmf

- The next meeting is on the 13 January 2020.

NTS Charging Methodology Forum (NTSCMF) www.gasgovernance.co.uk/ntscmf

At the meeting on 05 November 2019 the following was discussed/progressed:

- **Pre-Modifications** - No draft modifications presented for discussion.
- **Ofgem update** – Ofgem provided an update on Modifications 0678 - *Amendments to Gas Transmission Charging Regime* and 0686 - *Removal of the NTS Optional Commodity Rate with adequate notice* confirming that a 'minded to' decision is likely before Christmas. The required regulatory impact assessment will run in parallel with the Article 26 consultation.

Decisions on Modification 0696 - *Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs*; Modification 0667 - *Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC* and Modification 0687 - *Creation of new charge to recover Last Resort Supply Payments* are expected in due course.

- **Forecasted Contracted Capacity (FCC) Update**

No update this month.

- **Long Term Revenue Forecasts:** National Grid to provide an update at the December meeting.
- **0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS:**

No progress since the last meeting as the development of a potential short-haul product by National Grid is dependent on more certainty on the sense of direction to be determined by the outcomes of Modifications 0687 and 0686. An extension to the Panel reporting date to be discussed at the December meeting.

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

At the meeting on 22 October 2019 the following was discussed/progressed:

- **Pre-Modifications** - No draft modifications were presented for discussion.
- **0664 - Transfer of Sites with Low Read Submission Performance from Class 2 & 3 into Class 4.** An amended Modification was considered. At the next meeting it is anticipated that the Legal Text will be available for consideration and the Workgroup Report can be concluded.
- **0672 - Incentivise Product Class 4 Read Performance.** An amended Modification was discussed. At the next meeting it is anticipated that the Legal Text will be available for consideration and the Workgroup Report can be concluded.
- **0690S – Reduce qualifying period for Class 1.** At the next meeting it is anticipated that the Legal Text will be available for consideration and the Workgroup can be concluded.
- **0691S – CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met.** An amended Modification was discussed. A further amended Modification will be discussed in November. It is anticipated that Legal Text will be also available and the Workgroup Report could be concluded.
- **0693R – Treatment of kWh error arising from statutory volume-energy conversion.** Further consideration is required on what information is available to progression.

Governance Workgroup Headlines

www.gasgovernance.co.uk/gov

The last meeting was held on the 04 November 2019.

The next steps for this meeting are to continue the development of 0676R Workgroup proposals and continue to monitor the BEIS/Ofgem Energy Codes Governance Review.

- **0676R - Review of Gas Transporter Joint Office Arrangements:**
Workgroup reviewed the Workgroup Report and updated the Critical Friend and Legal Text recommendations and agreed that the Funding and Governance section will be reviewed at the next meeting.
- The next meeting is due on Monday 02 December 2019.

Committees Updates

Energy Balancing Credit Committee (EBCC) www.gasgovernance.co.uk/EBCC

- The next meeting is due on the 25 November 2019.

Demand Estimation Sub-Committee (DESC) www.gasgovernance.co.uk/desc

- At the additional meeting held on 05 November 2019, DESC approved the new parameters and for Xoserve to continue with their work on the Seasonal Normal Review process.

Performance Assurance Committee (PAC) www.gasgovernance.co.uk/PAC

- The key messages from meetings are available at:
www.gasgovernance.co.uk/pac/summarykeymessages
- The next meeting is on 10 December 2019.

0674 - Performance Assurance Techniques and Controls www.gasgovernance.co.uk/0674

- The Workgroup continues to develop the Business Rules and the complementary documentation, (the Performance Assurance Framework Document, along with a consolidated document setting out the PAC's operating framework). As the result of numerous iterative developments, the initial version of legal drafting is expected to be available for discussion at the next Workgroup.

AUG Sub Committee

- No AUG Sub Committee meetings were held this month. The aim is to publish the draft AUGS prior to the 10 January 2020 meeting.

Data Service Contract (DSC) Committees www.gasgovernance.co.uk/DSC-CDSP

DSC Change Management Committee - at the meeting on the 13 November 2019:

- There were 3 new change proposals, which were all approved.
- Updates were provided to the Committee on the Releases planned for 2019 and 2020.

DSC Contract Management Committee – at the meeting on the 16 October 2019:

- Committee members approved a change to the Service Description Tables set out in non-code Service Area 16.
- Updates were provided on the UK Link Performance improvement activities, BP20, the Monthly Contract Management Report, progress on the CSS Interface design and CSS Adaptor Services.

DSC Credit Committee

- The next meeting is due on the 25 November 2019.

IGTAD Sub-Committee <https://www.gasgovernance.co.uk/igtad/>

- An update is to be provided at the next meeting to confirm if Leep Gas Networks a new IGT has completed all the necessary Accession Requirements to sign-up to the Transporters Framework Agreement.
- Two new Modifications which are likely to impact IGTs will be discussed at the November Panel meeting. Modification 0710 – CDSP provision of Class 1 read service <http://www.gasgovernance.co.uk/0710> and Modification 0708 – Re-ordering of the UNC in advance of Faster Switching <http://www.gasgovernance.co.uk/0708>.
- Dates for future meetings:
 - 02 March 2020, 08 June 2020, 21 September 2020, and 25 January 2021.

Things to Note...

- **New Joint Office Panel Chair** - The Joint Office is delighted to announce that following approval from the Authority and an extensive recruitment process, Ms, Wanda Goldwag will assume the position of Independent Uniform Network Code Modification Panel Chair from 1 January 2020. More information will be provided in the December Newsletter regarding her appointment.

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