

Joint Office of Gas Transporters

December 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....

Need Help? Or want to Contact Us?

Email: enquiries@gasgovernance.co.uk

Tel: 0121 288 2107

Meet the Joint Office of Gas Transporters Team.

www.gasgovernance.co.uk/jointoffice/staff

Table of Contents for December 2019

Implementation Dates	2
New Modifications discussed at November 2019 Panel	2
Workgroup Reports discussed at November 2019 Panel	2
Final Modification Reports discussed at November 2019 Panel	2
Distribution Workgroup Headlines	3
Transmission Workgroup Headlines	5
Charging Methodology Forums	6
UIG Workgroup Headlines	7
Governance Workgroup Headlines	7
Committees Updates	7
Things to Note...	9

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

New Modifications discussed at November Panel

Request 0706R - Instances where Shippers can exit commercial agreements with an independent Supplier http://www.gasgovernance.co.uk/0706	<ul style="list-style-type: none"> Further information was requested to support the Request; therefore, consideration was deferred to the 19 December 2019 Modification Panel.
Modification 0707S - Introducing 'Performance Assurance Framework Administrator' as a new User type to the Data Permissions Matrix http://www.gasgovernance.co.uk/0707	<ul style="list-style-type: none"> This Modification will follow self-governance procedures. This Modification will be considered within the Distribution Workgroup on 28 November 2019. Initial representations for consideration at Workgroup are requested no later than 12 December 2019. Workgroup report to be presented by 20 February 2020 Modification Panel.
Modification 0708S - Re-ordering of the UNC in advance of Faster Switching http://www.gasgovernance.co.uk/0708	<ul style="list-style-type: none"> This Modification will follow self-governance procedures. This Modification will be considered within the Governance Workgroup on 02 December 2019. Initial representations for consideration at Workgroup are requested no later than 12 December 2019. Workgroup report to be presented by 19 March 2019 Modification Panel.
Modification 0709FT - Amendment of references to Data Protection Act for GDPR http://www.gasgovernance.co.uk/0709	<ul style="list-style-type: none"> This Modification will follow self-governance procedures. This Modification does meet the Fast Track self-governance criteria. Implementation was unanimously supported. To be implemented (self-governance at 05.00 on 13 December 2019).
Modification 0710 - CDSP provision of Class 1 read service http://www.gasgovernance.co.uk/0710	<ul style="list-style-type: none"> This Modification will proceed under Authority Direction. This Modification will be considered within the Distribution Workgroup on 28 November 2019. Initial representations for consideration at Workgroup are requested no later than 12 December 2019. Workgroup report to be presented by 20 April 2020 Modification Panel.
Modification 0711S - Update of AUG Table to reflect new EUC Bands	<ul style="list-style-type: none"> This Modification will follow self-governance procedures.

http://www.gasgovernance.co.uk/0711	<ul style="list-style-type: none"> ▪ This Modification will be considered within the Distribution Workgroup on 28 November 2019. ▪ Initial representations for consideration at Workgroup are requested no later than 12 December 2019. ▪ Workgroup report to be presented by 20 February 2020 Modification Panel.
Existing Modifications for Reconsideration discussed at November 2019 Panel	
None	
Workgroup Reports discussed at November 2019 Panel	
Request 0677R - Shipper and Supplier Theft of Gas Reporting Arrangements http://www.gasgovernance.co.uk/0677	<ul style="list-style-type: none"> ▪ Panel accepted the recommendations of the Request Workgroup Report. ▪ The Request and Workgroup have now been closed.
Modification 0692S - Automatic updates to Meter Read Frequency http://www.gasgovernance.co.uk/0692	<ul style="list-style-type: none"> ▪ Issued to Consultation which closes on 12 December 2019. ▪ The Final Modification Report will be presented to the 19 December Modification Panel (at short notice).
Final Modification Reports discussed at November 2019 Panel	
Modification 0696 - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NEXAs http://www.gasgovernance.co.uk/0696	<ul style="list-style-type: none"> ▪ Panel determined that this Modification should be returned to Workgroup for further assessment. ▪ The Final Modification Report and Supplemental questions will be considered within the Distribution Workgroup. ▪ Next meeting is 28 November 2019. ▪ A Workgroup Supplemental Report is to be presented by 20 February 2020 Modification Panel.

Distribution Workgroup Headlines	www.gasgovernance.co.uk/dist
<p>At the meeting on 28 November 2019 the following items were discussed/progressed:</p> <ul style="list-style-type: none"> • 0696 – <i>Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NEXAs</i> The Modification has been resubmitted to Workgroup for further consideration following Ofgem’s “send-back” letter requesting more analysis as to why the issue has arisen by referencing the current arrangements in the Code. The letter also requested that the method of implementation should be clarified as well as a more detailed review of the text, which only became available during the later stages of the consultation period. • 0697S – <i>Alignment of the UNC TPD Section V5 and the Data Permissions Matrix (DPM)</i> Development continued to rationalise the permissions established in UNC Section V5 and given effect at data item level in the DPM 	

It was also confirmed that the Citizens Advice Bureau, (& CAB Scotland), would be included in the Data Permissions Matrix, as they are the legally authorised body to handle customer energy complaints.

It was confirmed that Performance Assurance Framework Administrator, (PAFA), data access aspect of this Modification has been raised as stand-alone proposal, (Modification 0707S).

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

The version of the proposal reviewed at this meeting has had all charging elements removed with a statement from the proposer that these would now be set out in a UNC related document and discussed at a future meeting. Also discussed during this item was an “alternative” approach to the charging elements of the original version of Modification 0699. Proposed by Centrica.

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

A draft version 2 of the proposal was introduced which provided improved clarity of the business rules as well as the system changes that would be required to increase the visibility of NExA data on Date Enquiry Service (DES).

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

Discussion of this proposal was deferred to December Workgroup.

- **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) and will concentrate on rationalising the reporting arrangements with reference to the Transporters’ existing Regulatory Reporting pack and setting them out in the UNC. The proposal was briefly discussed in an amended form and the next step will be to review the legal text at the January 2020 Distribution Workgroup.

- **0707S – Introducing ‘Performance Assurance Framework Administrator’ as a new User type to the Data Permissions Matrix**

As mentioned under 0697, this proposal has been raised to expedite the inclusion of PAFA in the DPM.

Reader Note: This proposal is required because all new User types added to the DPM must follow UNC governance, although the individual data items that the new User would be able to see are controlled through DSC governance.

- **0710 – CDSP provision of Class 1 read service**

This Modification was raised as a follow up to Review Group 0694 and looks to establish the arrangements for transferring Daily Metered (DM) (Class 1) read provision from each DNO to Xoserve. Even though the proposal seeks to simply novate existing contracts to Xoserve, there was some debate around the best time of year to implement the transfer, with a general view that Summer 2020 would be the most appropriate time.

- **0711S – Update of AUG Table to reflect new EUC bands**

This proposal has been raised to align the Allocation of Unidentified Gas (AUG) Table in Uniform Network Code (UNC) with revisions to EUC bands related to a change to the DSC XRN 4665.

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 2.5m and that they have started processing Supply Point Amendment Files to smooth out the workload.

- **Amendment to TPD V3.1.7 – Independent Assessment Table**

Owing to a revision to the way Graydon presents its credit rating, a draft proposal was tabled to modify the table for calculation of maximum unsecured credit limit to correlate with the new ratings.

Other Workgroups

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

At the meeting on 04 December 2019 the Workgroup considered the draft legal text and supporting documentation of Modification 0683S. Further consideration will take place at the next meeting on 06 January 2020. The Workgroup is due to provide the Workgroup Report by 20 February 2020. The next phase of Modifications will be considered in the New Year.

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

At the meeting on 05 December 2019 the following were discussed/progressed:

- Pre-Modification - *Update to Cash out Prices* – (National Grid)

This pre- Modification is raised by National Grid to change the current cash-out arrangements which were based upon an annually calculated default system marginal price (SMP). National Grid believed it was appropriate to raise a Modification to amend the default SMP formula and that the main considerations were: how should the formula evolve to reflect the operation of the network in 2019 and be adaptive to future needs, including the opportunity to address concerns raised by Shippers regarding National Grid's increased trading frequency and what is a proportional incentive on Shippers to balance their portfolios and how does that relate to other EU markets? This Modification will be discussed at the January UNC Panel meeting.

- Pre-Modification – *Amendment of Network Entry Provisions at Perenco Bacton (Neptune Energy)*

This pre-Modification is raised by Neptune Energy and is being sponsored by Centrica.

Neptune Energy explained the Cygnus Gas Field was a new development in the Southern North Sea which was unlocking investment in an underdeveloped area of the UK Continental Shelf (UKCS) and was two years into a 20+ year life. The Cygnus Alpha and Bravo produced gas through the EST pipeline to the Perenco Bacton terminal and that the Cygnus gas was 1% below the GS(M)R Wobbe Index specification but was within the emergency limit. Neptune Energy said that the existing gas quality requirements have already had significant impact on gas supply to the UK network from the Cygnus field and this was only set to increase in 2020.

Neptune Energy explained that the gas from the ETS pipeline presently arrives at the Perenco terminal with a Wobbe Index (WI) of 45.5 to 46.7 MJ/m³. The existing infrastructure enables fortuitous blending with fields flowing into the Perenco terminal and access to blend gas from the SEAL pipeline only from neighbouring terminals, with the existing Network Entry Provision with National Grid requiring the gas leaving the Perenco terminal to be over 47.2 MJ/m³.

The proposal was for the amendment to the Network Entry Provision between Perenco and National Grid to reduce the Wobbe Index lower limit from 47.2 to 46.5 MJ/m³. Alternative options were to access to further SEAL blended gas volumes. This is already in progress with an extended planned shutdown of 39 days of the GAEL system in the Summer of 2020 in June, SEAL source diversity reduction thereafter limits this benefit. Neptune Energy also said that significant infrastructure to enable upstream blending with other gas sources would take more than two years in duration to enact.

This Modification will be raised shortly and will be developed within the Transmission Workgroup.

- Pre-Modification - *Amendments to TPD v3.1.7 Independent Assessment Table (Wales & West Utilities)*

See pre-Modification information as detailed at the Distribution Workgroup.

- **0712** - *Amending the oxygen content limit in the Network Entry Agreement (NEA) at the St Fergus SAGE Plant.*

Angela Fletcher (AF) from Ancala Midstream Acquisitions Ltd (AMAL) presented the draft Modification as the interested party, although the proposal had been raised by UNC party, OMV Gas Marketing and Trading GmbH, (OMV). An update was provided confirming that that National Grid had already commenced the necessary oxygen penetration analysis which was proving to be very helpful and that more information would be supplied by National Grid at the January meeting.

This Modification 0712 will be presented at the December Panel and will be allocated to the Transmission Workgroup for further development. The Proposer welcomed any further questions relating to this Modification.

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

- Capacity Access Review

NTS provided an overview of the Capacity Access Review presentation; which was segregated into the following areas: Scene Setting, Scope, Impacts, Long-Term ambition, Current Issues, Workplan, and Next Steps.

Jennifer Randall (JR) said that the focus for the January 2020 meeting would be;

- The Consultation Overview
 - Overruns
- February 2020 onwards:
- Entry Trading and Ofgem related issues
- DN Capacity booking process,
- Modification 0667 – Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC
- BBL Issue
- Wales & West Modification
- Review of Workgroup Plan
- Review of Amended Request

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 03 December 2019 the following was discussed/progressed:

- **Pre-Modifications:** No draft modifications presented for discussion.
- **Ofgem update:** Workgroup are looking towards the end of the year for the Ofgem ‘minded to’ decision letter on Modification 0678 and its alternatives and Modification 0686 and its alternatives.
- **Forecasted Contracted Capacity (FCC) Update:** No update this month.
- **Long Term Revenue Forecasts:** CW advised the Long-Term Revenue Forecast has been published on the National Grid website and the Joint Office website here: www.gasgovernance.co.uk/ntscharges/LTrevenue
- **0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS:**
The next steps for this Review Group are to examine the Ofgem ‘minded-to’ letter for Modification 0678 which is expected at the end of the year, and subsequently discuss the way forward in January 2020. An extension to the Panel reporting date will be requested at the UNC Panel December meeting.

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

At the meeting on 26 November 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 and a review of the Legal Text took place. At the next meeting it is anticipated the Workgroup Report can be developed following the further amended Modification v9.0, the CNG Initial Representation will be addressed and encompassed within the Workgroup Report, the Legal Text will be reviewed again and further consideration of the ROM request will be discussed following the amended Modification.
- **0672 - Incentivise Product Class 4 Read Performance.** An amended Modification was discussed. At the next meeting it is anticipated that a further amended Modification will be submitted v8.0 and the Legal Text will be reviewed. Confirmation will be sought as to whether an equivalent IGT Modification will be required and then the Workgroup Report can be concluded.
- **0690S – Reduce qualifying period for Class 1.** This Workgroup was concluded following the November meeting and the Modification was submitted to the December Panel for the Panel decision.
- **0691S – CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met.** A further amended Modification v7.0 will be discussed in the January 2020 Meeting as the Proposer requested the December meeting was deferred. At the January meeting consideration of the PARR Report specification/format will be discussed, together with the Legal Text and confirmation of whether an equivalent IGT Modification will be required and the aspiration is to finalise the Workgroup Report at the January meeting.
- **0693R – Treatment of kWh error arising from statutory volume-energy conversion.** Rebecca Hailes (RH) - Chair, confirmed the November Workgroup meeting had been deferred with agreement from the Workgroup and Proposer.

Governance Workgroup Headlines

www.gasgovernance.co.uk/gov

The last meeting was held on the 02 December 2019.

The meeting covered:

- Further discussion of Panel Action 01/08 regarding the consideration of Alternatives.
- Brief discussion relating to BEIS/Ofgem Energy Codes Governance Review.
- **0676R - Review of Gas Transporter Joint Office Arrangements:** Workgroup reviewed outstanding actions from previous meeting. Further progress on the Workgroup Report will take place in January 2020.
- **0708S - Re-ordering of the UNC in advance of Faster Switching:** This proposal has been raised to re-order the UNC in advance of Faster Switching. A joint Workgroup with the IGT UNC has been established to develop this Modification.
- The next meeting is due on Monday 22 January 2020.

Committees Updates

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

- At the meeting on the 25 November 2019 the Committee reviewed the operational statistics which covered Cash Collection and Cash Call Notices. The Committee also considered an issue that had been raised regarding outstanding Energy Balancing Adjustments. Xoserve are currently working with National Grid to produce a consolidated list of adjustments which will be shared with the industry along with a resolution plan by the end of January 2020.
- The next meeting is due on the 24 February 2020.

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

- The key messages from meetings are available at: www.gasgovernance.co.uk/desc/summarykeymessages.
- The next meeting is to be held on 10 February 2020.

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 14 January 2020.

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

The last meeting was held on 11 December 2020 and Ofgem, Jon Dixon (JD) provided an overview of the Retail Energy Code Performance Assurance Board (REC PAB) proposal and explained that the main document on this subject would be circulated by Ofgem next week or early in the New Year. The full presentation can be viewed via the link: <http://www.gasgovernance.co.uk/0674/111219>

- The Workgroup continues to develop the Business Rules and the complementary documentation, (the Performance Assurance Framework Document, along with a consolidated document UNCC and PAC related document with Part 1 & 2 encompassing the governance arrangements, setting out the PAC's operating framework). The initial version of legal drafting is expected to be available for discussion at the next Workgroup in January.

AUG Sub Committee

- An AUG Sub Committee was held on 16 December 2019 to consider the impact assessment of LDZ level UIG factors. The AUGC will provide an updated paper for discussion at the January meeting. The paper will include the theft data analysis, an indication of timescales and high-level methodology used for the analysis. A decision on spend for further work will be taken at the January meeting.
- 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 extraordinary meeting held on 22 November 2019:

- Proposal to include XRN4992 MOD0687 Creation of new charge to recover Last Resort Supply Payments interim solution in the February release was *rejected*.
- Change Proposals XRN4691, XRN4871b and XRN4692 were removed from the June 2020 release scope.
- BER for XRN4996 was unanimously approved subject to further review at the February 2020 meeting.

At the meeting on the 11 December 2019:

- There were 2 new change proposals, which were both approved.
- Updates were provided to the Committee on the DSC Implementation Plan and Releases planned for 2019 and 2020.

DSC Contract Management Committee

- At the meeting on the 19 November 2019 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 and UIG Task Force updates.
- The next meeting is on 18 December 2019.

DSC Credit Committee

- At the meeting on the 25 November 2019 the Committee reviewed the operational statistics for Cash Collection, Security Management, Failure to Pay Notices and Outstanding Debt.
- The next meeting is due on the 24 February 2020.

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

- The next meeting is on 02 March 2020.

Things to Note...

- **New Joint Office Panel Chair Appointment** - The Joint Office is delighted to announce that following approval from the Authority and an extensive recruitment process, Ms. Wanda Goldwag has been appointed to the position of Independent Uniform Network Code Modification Panel Chair from 1 January 2020 for a two-year period.
- Ms. Goldwag is presently an adviser to Smedvig Venture Capital, Non-Executive Director of the Royal Free London Foundation Trust and interim Chair of LEASE and Chair of the Financial Services Consumer Panel. Ms. Goldwag is also currently Chair of the Office of Legal Complaints (the board of the Legal Ombudsman) but will be standing down from this role in March 2020, as a result of taking on the position of Independent Uniform Network Code Modification Panel Chair. Wanda is looking forward to working and engaging with the gas industry, to support good governance.
- **Shrinkage Forum – Shrinkage Consultation:**
- This is a reminder that Cadent, Northern Gas Networks, SGN and Wales & West Utilities provided a Joint GDN Shrinkage and Leakage Model Review Consultation 2019 document, which was published on 22 November 2019 at: <http://www.gasgovernance.co.uk/Shrinkage/Consultations>
- Responses to this document are encouraged at your earliest convenience but should be received no later than **20 December 2019**.
- Communications should be directed to: Matt Marshall, Network Design Specialist, Cadent Gas Ltd Email: matt.marshall@cadentgas.com Postal Address: Matt Marshall, Cadent Gas Ltd, Brick Kiln Street, Hinckley, Leicestershire, LE10 0NA
- Alternatively, responses can be sent to: enquiries@gasgovernance.co.uk

Need Help? Or want to Contact Us?



Email: enquiries@gasgovernance.co.uk Tel: 0121 288 2107

Twitter: [@JointOffice](https://twitter.com/JointOffice)

