

**UNC Distribution Workgroup Minutes**  
**Thursday 27 April 2017**  
**at Elexon, 350 Euston Road, London, NW1 3AW**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andy Clasper	(ACI)	National Grid Gas Distribution
Andrew Margan	(AM)	British Gas
Andy Miller*	(AMi)	Xoserve
Angela Love*	(AL)	ScottishPower
Belgica Mora-Perez*	(BMP)	National Grid Metering
Carl Whitehouse	(CWh)	first:utility
Chris Warner	(CW)	National Grid Gas Distribution
Colette Baldwin	(CB)	E.ON Energy
Dan Simons	(DS)	MRASCo
David Addison	(DA)	Xoserve
David Chalmers	(DC)	National Grid NTS
David Mitchell*	(DM)	Scotia Gas Networks
David Reily	(DR)	Ofgem
Fraser Mathieson	(FM)	Scotia Gas Networks
Hilary Chapman	(HC)	Scotia Gas Networks
John Welch	(JW)	npower
Kelly Docherty	(KD)	British Gas
Kish Nundloll	(KN)	ES Pipelines
Mark Jones*	(MJ)	SSE
Nikki Rozier*	(NR)	BUUK Infrastructure
Rachel Bird*	(RB)	Gemserv
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy	(RP)	Wales & West Utilities
Shanna Key	(SK)	Northern Gas Networks
Steve Ladle	(SL)	Gemserv
Steve Mulinganie	(SM)	Gazprom
Steven Britton	(SB)	Cornwall
Tahera Choudhury*	(TC)	Xoserve
Tim Davis*	(TD)	Barrow Shipping

\* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/dist/270417>

**1. Introduction and Status Review**

BF welcomed all to the meeting.

**1.1. Approval of Minutes (23 March 2017)**

The minutes of the previous meeting were approved.

## 1.2. Modification(s) with Ofgem

It was noted that there are no Distribution related modifications currently with Ofgem awaiting a decision.

## 1.3. Pre-Modification discussion

### 1.3.1. Draft Embedded Compression Modification – *Barrow Shipping*

TD explained the rationale behind raising the modification during which he explained that he has already engaged with Transporters on the matter as there were a number of non Code issues to consider.

TD also explained that in the event that the Transporters are unable to accommodate the necessary equipment installation within their networks, that biogas parties were considering building the compressors for use on Transporter networks – in short, he is looking for Transporters to clarify whether or not this is a code issue (requirement) or not.

Responding, RP indicated that in Wales & West Utilities (WWU) opinion, this is not a specific code matter and as a consequence does not require a code modification to facilitate. However, WWU remains concerned about the potential issues surrounding 3<sup>rd</sup> party ownership of equipment (and the associated operational aspects) on the network(s), and/or networks adopting 3<sup>rd</sup> party equipment (with potential licence impacts to consider) and strongly believe that these aspects need further consideration. Whilst acknowledging that the Networks have an obligation to consider new gas initiatives, DC suggested that there are also some reinforcement aspects that would need consideration. The various concerns were also supported by the other Transporter representatives in attendance at the meeting.

TD felt that this is fundamentally a funding/charging consideration and whether DNOs would want to change for Entry and Exit, as currently code lacked clarity in this point. TD pointed out that should the Networks seek to treat the installation as an exit/entry point, then it clearly should be a code modification to clarify they should not, as this would be an unfair cost when transporters wouldn't be subject to such charges. TD highlighted that he was seeking clarity sooner rather than later as he was aware an installation is due to be commissioned during summer 2017.

When FM suggested that there might be some in/out metering aspects that would need considering, DR also suggested that there could potentially be some zero flow aspects that would need to be taken into account, which may imply a potential storage impact (i.e. similar in nature to linepack on the Transmission system). However, TD clarified that these were operational issues and not code issues.

Other than the Transporter representatives in attendance, the majority of Workgroup participants supported the immediate development of the modification (subject to it being formally raised), during which they believe the various issues/concerns could be teased out and resolved.

When TD provided an explanation of the potential costs and timeline aspects, Workgroup participants indicated that they do not believe that the modification would warrant urgent status, but did recognise that this would be a matter for the Proposer and Ofgem to consider.

When asked if the modification would have been needed in the event that the Networks had agreed to a simple engineering based solution, TD indicated that it would not.

In looking to conclude these initial discussions, BF suggested that there would be benefit in the Transporters discussing the finer details with the Proposer outside of this meeting, particularly those which were not code related.

### **1.3.2. Future Billing Methodology – Unlocking a low carbon gas future**

Introducing the item, BF advised that the presentation had been previously provided to both the Transmission Workgroup and the various Charging Methodology Forums.

DC then provided a brief overview of the presentation during which he explained that the industry consultation close-out date had now been extended through to close of business on Friday 12 May 2017.

Discussions centred around slide 6 ‘The current billing framework: Local Distribution Zones (LDZs)’. When asked why it is believed that the gas must be enriched in order to satisfy regulation requirements, DC explained that this is fundamentally to avoid incurring ‘cap out’ (current cap set at 1MJ/m<sup>3</sup>) costs (i.e. maximum value for weighted average CV gas and transfer related cost etc.). When TD suggested that in reality it is simply a redistribution of costs consideration and that a complex charging regime is not required, RP explained that no one has been able to clarify where the 1MJ/m<sup>3</sup> figure originates and suggested that any change to this figure would require the appropriate supporting justification.

TD pointed out that the biomethane producers are incurring costs in order to avoid transfer costs, which is not a sustainable position.

When DC encouraged feedback via the formal consultation process, AL advised that Energy UK had already provided a response. DC pointed out that to date responses had been received from a range of organisations and that these would be published in due course. When asked whether or not the responses received to date could be published before the consultation closes out (as per the modification process), DC indicated that he was happy for this to take place.

### **1.3.3. Uniform Network Code Validation Rules update**

Opening discussions, DA explained that the previous view that the proposed solution was an enduring one was incorrect.

DA went on to indicate that he would be happy for responsibility for governance of the Uniform Network Code Validation Rules (UNCVR) to move to the DSC Change Management group should that be the Workgroup consensus.

At this point, CB reiterated her rationale behind requesting that Xoserve provides industry wide communications on this matter in a similar way to that used for the UK Link committee prior to FGO, as this would ensure all parties are fully aware of the subject. Recognising the point, DA proposed that the ‘industry’ looks to utilise existing distribution lists and refine these post Project Nexus implementation – an approach supported by those in attendance.

DA then indicated that he would now table the matter for consideration at the forthcoming DSC Change Management meeting and support this with an industry wide communication.

When asked if it is appropriate to initially route all UNCVR matters through the DSC Change Management group and then on to the Uniform Network Code Committee (UNCC) for ultimate sign off (on the grounds that the DSC

Change Management group is a sub-committee of the UNCC), the consensus of those in attendance was yes.

## 2. Workgroups

### 2.1. 0593 / iGT095 – Provision of access to Domestic Consumer data for Price Comparison Websites and Third Party Intermediaries

(Report to Panel 20 July 2017)

<http://www.gasgovernance.co.uk/0593>

### 2.2. 0570 – Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum

(Report to Panel 15 June 2017)

<http://www.gasgovernance.co.uk/0570>

### 2.3. 0571 0571A – Application of Ratchet Charges to Class 1 Supply Points (and Class 2 with an AQ above 73,200kWhs)

(Report to Panel 18 May 2017)

<http://www.gasgovernance.co.uk/0571>

### 2.4. 0594R – Meter Reading Submission for Advance & Smart Metering

(Report to Panel on 15 June 2017)

<http://www.gasgovernance.co.uk/0594>

### 2.5. 0613S – Revised UK Link Manual CDSP Data Services Document

(Report to Panel on 18 May 2017)

<http://www.gasgovernance.co.uk/0613>

### 2.6. 0615S – Representation on DSC Committees: amendment to include mid-year appointments

(Report to Panel on 15 June 2017)

<http://www.gasgovernance.co.uk/0615>

## 3. Project Nexus Requirements

### 3.1. RAASP

BF explained that there was nothing new to report at this meeting.

## 4. Issues

None.

## 5. Review of Outstanding Actions

**DX1102:** *Use of weighted SOQ rather than actual SOQ - Issue arising from Market Trials -* DA to provide an interpretation paper to aid understanding, for the next DWG meeting (22 December 2016).

**Update:** In referring to the presentation and subsequent discussions undertaken at the 23 March Workgroup meeting, DA confirmed that he would now be pursuing this matter through the DSC Change Management group and ultimately the UNCC.

It was noted that the action had been previously closed at the 23 March meeting. **Closed**

**DX0201:** *Reference Potential RAASP Delivery* – All parties to consider providing views to NGGDL (CW) on a potential approach to the system solution delivery concerns in order that NGGDL can respond accordingly at the March Workgroup meeting.

**Update:** When CW proposed that the Workgroup should delay consideration of this matter until after the Project Nexus Implementation Date (PNID), SM advised that

Gazprom is considering raising a UNC modification in order to resolve the matter should Transporters be unable to provide a suitable solution and in particular the implementation date.

In referring to the RAASP presentation provided at the previous Workgroup meeting (23 March 2017), DA advised that further discussions had taken place at the recent DSC Change Management meeting and when asked CW suggested that the 01 October 2017 date, was to all intent and purpose, redundant. It was requested that formal confirmation of this fact be provided in due course.

In referring back to the 'Retro Functionality' slide, CB voiced her concern that it now appears that workaround processes are required and that there are proposals to revisit the business case, which is not a good sign. Adding to the debate, SM also voiced his concerns that Xoserve appear to no longer be able to deliver what was originally promised and in his opinion debating what elements of the original delivery will no longer be available is unsatisfactory. In acknowledging these points, CW reiterated that National Grid Gas Distribution Limited (NGGDL) believes there is a strong argument to suggest that revisiting the business case is the correct course of action at this time. Responding, SM suggested that if that is the case, NGGDL should look to raise a UNC modification to remove the retrospective solution, especially as the 'industry' has already given Xoserve an additional 12 months post 01 October 2016 to deliver the retrospective solution. When DA suggested that moving the date by a further 12 months would simply be an arbitrary date anyway, SM claimed that this is unacceptable at this late stage in the project.

Whilst accepting the concerns being voiced by various parties, CW explained that discussions between Ofgem and the Transporters have already recognised that delivery of the retrospective solution elements remains extremely difficult. Furthermore, Xoserve is unable to commit to delivering RAASP because there are too many unknown factors at play at this time.

Recognising that opinions remain divided on this matter, SM pointed out that clarification around the RAASP matter, sooner rather than later, would enable parties to examine their respective contractual arrangements. **Closed**

**New Action 0401: Reference RAASP Delivery - Transporters and Xoserve to provide a RAASP Delivery clarification statement (i.e. the delivery or not, of elements of the retrospective solution).**

**DX0301:** *Transferred in from 0609WG* – Ofgem (JD) to consider the AQ file validation issue as part of the Project Nexus implementation group and provide a view on options; validate AQ values or introduce a more robust Nexus acceptance process.

**Update:** Consideration deferred. **Carried Forward**

**DX0302:** *Transferred in from the final standalone UKLC meeting* – Reference COR3143 – *File Transfer Guide V12.1FA* – Xoserve (DA) to look to provide a high level process flow map for the Supplier / MAM (non UKL user to non UKL user) aspects and to also consider a suitable publishing location for any supporting documentation.

**Update:** Consideration deferred. **Carried Forward**

**DX0303:** *Reference Uniform Network Code Validation Rules amendments* – Xoserve (DA/RH) to issue an industry wide Shipper/User impact communication via the new Change Management distribution listing.

**Update:** Please refer to discussions on item 1.3.3 above. **Closed**

## 6. Any Other Business

### 6.1 Gas NIC Project – Future Billing Methodology

It was agreed that this item had already been covered under discussions on item 1.3.2 above.

## 6.2 Ad hoc Seasonal Service

It was requested that the Networks and Xoserve look to provide information on their respective single points of contact (i.e. names and contact information etc.) in order that the large shippers can take advantage of the ad hoc seasonal service provision. SM pointed out that if necessary, Gazprom would be willing to raise a UNC modification in order to ensure that the matter is progressed accordingly.

**New Action 0402: Reference ad hoc seasonal service provision - Networks and Xoserve to look to provide 'single points of contact' names and associated contact information as well as an explanation on how they see the ad hoc seasonal service process working.**

## 6.3 Class 1 Reads Post Project Nexus

RP provided a brief overview of the Wales & West Utilities presentation during which he confirmed that reads had been rejected within the test environments and that the matter is being tracked on an ongoing basis.

At the end of the discussions the Workgroup consensus was that this matter should be referred to both the DSC Data/Change Management Group and the Project Nexus Steering Group going forwards, as this is fundamentally a validation of new data elements related concern. At this point DA provided a quick outline on how the current UK Link system corrections are being undertaken.

## 7. Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Distribution Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
10:30 Thursday 25 May 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• Other – to be confirmed</li> </ul>
10:30 Thursday 22 June 2017	Elexon, 350 Euston Road, London NW1 3AW	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• Other – to be confirmed</li> </ul>

**Action Table (27 April 2017)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DX1102	24/11/16	6.3	<i>Use of weighted SOQ rather than actual SOQ - Issue arising from Market Trials - DA to provide an interpretation paper to aid understanding, for the next DWG meeting (22 December 2016).</i>	Xoserve (DA)	Update provided. <b>Closed</b>
DX0201	23/02/17	3.1	<i>Reference Potential RAASP Delivery – All parties to consider providing views to NGGDL (CW) on a potential approach to the system solution delivery concerns</i>	All parties & NGGDL (CW)	Update provided. <b>Closed</b>

**Action Table (27 April 2017)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
			in order that NGGDL can respond accordingly at the March Workgroup meeting.		
DX0301	23/03/17 <i>(trans from 0609)</i>	5.	To consider the AQ file validation issue as part of the Project Nexus implementation group and provide a view on options; validate AQ values or introduce a more robust Nexus acceptance process.	Ofgem (JD)	<b>Carried Forward</b>
DX0302	23/03/17 <i>(trans from UKLC)</i>	5.	<i>Reference COR3143 – File Transfer Guide V12FA V12.1FA</i> – Xoserve (DA) to look to provide a high level process flow map for the Supplier / MAM (non UKL user to non UKL user) aspects and to also consider a suitable publishing location for any supporting documentation.	Xoserve (DA)	<b>Carried Forward</b>
DX0303	23/03/17	5.	<i>Reference Uniform Network Code Validation Rules amendments</i> – Xoserve (DA/RH) to issue an industry wide Shipper/User impact communication via the new Change Management distribution listing.	Xoserve (DA/RH)	Update provided. <b>Closed</b>
DX0401	27/04/17	5.	<i>Reference RAASP Delivery</i> - Transporters and Xoserve to provide a RAASP Delivery clarification statement (i.e. the delivery or not, of elements of the retrospective solution).	Transporters & Xoserve	<b>Pending</b>
DX0402	27/04/17	5.	<i>Reference ad hoc seasonal service provision</i> - Networks and Xoserve to look to provide 'single points of contact' names and associated contact information as well as an explanation on how they see the ad hoc seasonal service process working.	Networks & Xoserve	<b>Pending</b>