

**UNC Distribution Workgroup Minutes**  
**Thursday 22 December 2016**  
**Elexon, 350 Euston Road, London NW1 3AW**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andrew Margan	(AM)	British Gas
Andy Clasper	(AC)	National Grid Distribution
Angela Love*	(AL)	ScottishPower
Carl Whitehouse*	(CWA)	first utility
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
David Turpin (0602 only)*	(DT)	Xoserve
Fraser Mathieson	(FM)	Scotia Gas Networks
John Cooper*	(JC)	Brookfield Utilities
Jon Dixon	(JD)	Ofgem
John Welch*	(JW)	npower
Kathryn Turner	(KT)	Good Energy
Kishan Nundloll*	(KN)	ES Pipelines
Lorna Lewin	(LL)	DONG Energy
Mark Jones*	(MJ)	SSE
Naomi Nathanael*	(NN)	Plus Shipping
Phil Lucas*	(PL)	National Grid NTS
Rachel Bird*	(RB)	Gemserve
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy	(RP)	Wales & West Utilities
Shanna Key	(SK)	Northern Gas Networks
Steve Mulinganie*	(SM)	Gazprom

\* *via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/dist/221216>

**1. Introduction and Status Review**

BF welcomed all to the meeting.

**1.1. Approval of Minutes (24 November 2016)**

The minutes of the previous meeting were approved.

**1.2. Modification(s) with Ofgem**

None.

**1.3. Pre-Modification discussions**

**1.3.1 Transitional arrangements for gas settlement and replacement of Meter Readings (Project Nexus transitional modification)**

Opening, AC explained that the draft modification follows on from the provisions established under UNC Modification 0528V 'Implementation of Supply Point Administration, gas allocation and settlement arrangements (Project Nexus transitional modification)', and seeks to address issues relating to AQ.

During discussions it was noted that any decision around a further delay to the 01 June 2017 Project Nexus Implementation Date (PNID) would potentially impact upon the annual AQ review process as the process would have stopped in anticipation of 01 June. Responding, CW acknowledged the concerns, but pointed out that in his opinion, the modification 'covers off' such concerns and is predicated on what is known at this time with the 01 June date becoming more certain as milestones are achieved.

Some parties suggested that the modification as drafted potentially undermines previous Workgroup discussions and decisions. JD reminded those present that the current AQ processes would continue through to the March 2017 cut over and that regardless of whether or not PNID slips again, there would not be another AQ review. In acknowledging this fact, some parties remained concerned about inclusion of rolling AQ review aspects within this modification – however, they remain supportive of the other transitional aspects within the modification.

When it was suggested that perhaps National Grid Gas Distribution, as proposer of the modification, should look to consider the AQ aspects further, JD responded by highlighting that it boils down to how far the industry expend time and effort in continuing to run processes that fall away at the PNID.

When it was suggested that removal of the AQ elements from the modification might smooth its progress, CW explained that he would not be happy to do so as this would then necessitate raising a further interim settlement modification (i.e. a shadow process). JD suggested that in the event that PNID goes horribly wrong, this becomes a mute point anyway. He also suggested that if any parties feel strongly about the matter they could always raise an alternative modification.

When it was suggested that perhaps any alternative modification could follow urgent procedures, CW voiced his concern, believing that any 'transitional' modifications should not follow the urgent process on the grounds that it potentially limits industry debate. Regardless, he remains confident that the current 01 June 2017 PNID target can be met.

Concluding, BF noted that further discussions would take place at the January 2017 Distribution Workgroup meeting subject to the modification being formally submitted to the January Panel.

### **1.3.2 Implementation of iGT 'single service provision' arrangements (Project Nexus transitional modification)**

When CW started to provide a brief overview of the draft modification, BF pointed out that this had only been provided to the Joint Office late on the day prior to the meeting and that this was disappointing as it did not allow participants time to consider the draft in advance of the meeting and provide informed comments.

Continuing, CW explained that this draft modification is all about timing and that now is an appropriate time in which to raise the matter. The intention is to have legal text available when the modification is formally raised for submission to the January 2017 Panel with a recommendation that it is issued to a Workgroup for assessment.

Moving on, when CW explained that preliminary discussions with the iGTs had already taken place, BF suggested that as drafted, the modification is unclear as to what it is trying to actually achieve - CW agreed to (re)consider.

When CB voiced concerns around potential discrepancies between ratchet and overrun aspects, especially CSEPs, CW responded by clarifying that this would be covered (along with BRD realignment aspects etc.) under a subsequent transitional 'sweep up' modification to be developed in due course. In short, there are a suite of four transitional modifications envisaged with 0602 being the first, followed by the two modifications discussed at today's meeting, and finished off by the so called 'sweep up' modification. Furthermore, it is expected that the three modifications following on from 0602 would have supporting legal text available at their inception(s) and would hopefully follow the self-governance route.

Some parties questioned whether the modification is really necessary, on the grounds that the industry would be undertaking a hard switch over from CSEPs and that sufficient provisions already exist. RP suggested that typically, these modifications would cater for 'in flight' provisions and seeks to prevent these being in limbo at some point in the future.

Concluding discussions, CW noted comments and suggestions made and advised the modification would be formally raised and submitted in due course.

## 2. Workgroups

### 2.1. 0570 – Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum

*(Report to Panel 16 February 2017)*

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

### 2.2. 0593 - Provision of access to data for Price Comparison Websites and Third Party Intermediaries

*(Report to Panel on 19 January 2017)*

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

### 2.3. 0594R – Meter Reading Submission for Advance & Smart Metering

*(Report to Panel on 19 January 2017)*

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

### 2.4. 0602 – Implementation of Non Effective Days and Variant Non-Business Days for Project Nexus Implementation (Project Nexus transitional modification)

*(Report to Panel on 19 January 2017)*

<http://www.gasgovernance.co.uk/0602>

### 2.5. 0606S – National Grid Gas plc and National Grid Gas Distribution Limited transitional invoicing arrangement post Project Nexus implementation

*(Report to Panel on 16 March 2017)*

<http://www.gasgovernance.co.uk/0606>

## 3. Project Nexus Requirements

### 3.1. RAASP

When DA suggested that this matter had been sufficiently debated at the previous Workgroup meeting, BF explained that the item remains open on the agenda as it is related to the specific question posed by S Mulliganie at the previous meeting.

Reaffirming his previous statements on the matter, DA indicated that in his opinion RAASP remains unlikely to be delivered any earlier than 12 months following PNID.

When asked whether or not there would come a point (date) in time when the programme might consider RAASP undeliverable, Workgroup participants felt unable to confirm one way or another as to when they would be in a position to undertake such a discussion.

MJ suggested that on the whole, Shippers remain indifferent to the actual solution involved (i.e. automated or a manual workaround) as it is essentially a data quality issue.

### 3.2 Project Nexus Delay Impacts on AQ

JW explained that following feedback from the Workgroup, npower have concluded that there is probably insufficient time to prepare suitable business rules and as a consequence, will not be looking to develop a draft modification at this time.

However, npower is still considering what might be the best possible approach for addressing the tolerance question – hopefully more information will be provided, subject to having completed the analysis, at the next Workgroup meeting.

In explaining that npower's considerations are predicated on the 01 June 2017 PNID and previous AQ review assumptions, JW advised that should either parameter change, npower would look to reconsider their position.

## 4. Issues

None to consider.

## 5. Review of Outstanding Actions

**DX1101:** DA to seek views from the programme on a realistic delivery of RAASP, is it still feasible within a reasonable timescale.

**Update:** See item 3.1 above. **Carried Forward**

**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:** DA explained that this matter is now been dealt with as a defect under Market Trials governance and an update would be provided in due course. **Carried Forward**

**DX1103:** *Priority ~~Services Register~~ Sites List Updating* - Transporters to provide to Shippers details of any sites they have become aware of and believe should be registered on the PSR; Shippers to review their portfolios and update the PSR as soon as possible.

**Update:** DM explained that he had sought clarity from his SGN colleague, who confirmed that it is not related to the services register, but is in fact an issue to do with the priority sites list utilised in emergency circumstances.

DM then explained SGN are proactively engaged with shippers on this matter and an update would be provided at the next meeting. **Carried Forward**

## 6. Any Other Business

### 6.1 Impacts of Smart Metering on UNC

When MJ explained that whilst the SPAA has concluded work on 351 – SMART Metering Register proposal, JD confirmed that as far as he is aware, this has not reached Ofgem at this time.

JD then went on to indicate that in his opinion, it appears to be an overtly complicated change for what is a hypothetical risk.

When asked whether or not SSE is proposing to raise a UNC request or modification, MJ suggested that they would await the Ofgem decision on 351 before progressing the matter further.

When asked, MJ confirmed that he would be happy to remove the standing agenda item going forward.

## 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 26 January 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• <i>Other – to be confirmed</i></li> </ul>
10:30 Thursday 23 February 2017	Elexon, 350 Euston Road, London NW1 3AW	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• <i>Other – to be confirmed</i></li> </ul>
10:30 Thursday 23 March 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• <i>Other – to be confirmed</i></li> </ul>
10:30 Thursday 27 April 2017	Elexon, 350 Euston Road, London NW1 3AW	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• <i>Other – to be confirmed</i></li> </ul>
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>• <i>Other – to be confirmed</i></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>• <i>Other – to be confirmed</i></li> </ul>
10:30 Thursday 27 July 2017	Solihull ( <i>venue to be confirmed</i> )	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• <i>Other – to be confirmed</i></li> </ul>
10:30 Thursday 24 August 2017	Elexon, 350 Euston Road, London NW1 3AW	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• <i>Other – to be confirmed</i></li> </ul>
10:30 Thursday 28 September 2017	Solihull ( <i>venue to be confirmed</i> )	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• <i>Other – to be confirmed</i></li> </ul>
10:30 Thursday 26 October 2017	Elexon, 350 Euston Road, London NW1 3AW	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• <i>Other – to be confirmed</i></li> </ul>
10:30 Thursday 23 November 2017	Solihull ( <i>venue to be confirmed</i> )	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• <i>Other – to be confirmed</i></li> </ul>
10:30 Thursday 14 December 2017	Elexon, 350 Euston Road, London NW1 3AW	<ul style="list-style-type: none"> <li>• Standard Agenda items</li> <li>• <i>Other – to be confirmed</i></li> </ul>

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**Action Table (22 December 2016)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DX1101	24/11/16	5.0	DA to seek views from the programme on a realistic delivery of RAASP, is it still feasible within a reasonable timescale.	Xoserve (DA)	Update provided. <b>Carried Forward</b>
DX1102	24/11/16	6.3	<i>Use of weighted SOQ rather than actual SOQ - Issue arising from Market Trials -</i> DA to provide an interpretation paper to aid understanding, for the next DWG meeting (22 December 2016).	Xoserve (DA)	<b>Carried Forward</b>
DX1103 <i>amended at 22/12/16 meeting</i>	24/11/16	6.4	<i>Priority <del>Services Register</del> Sites List Updating -</i> Transporters to provide to Shippers details of any sites they have become aware of and believe should be registered on the PSR; Shippers to review their portfolios and update the PSR as soon as possible.	Transporters and Shippers in co-operation	<b>Carried Forward</b>