

**UNC Distribution Workgroup Minutes**  
**Thursday 28 June 2018**  
**at Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Alison Neild*	(AN)	Gazprom
Andy Clasper	(AC)	Cadent
Carl Whitehouse*	(CWh)	First Utility
Chris Warner	(CW)	Cadent
Dan Fittock	(DF)	Corona Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Graham Wood	(GW)	Centrica
John Welch	(JW)	npower
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Mark Jones*	(MJ)	SSE
Matthew Payne	(MP)	SGN
Paul Orsler	(PO)	Xoserve
Rachel Hinsley	(RHi)	Xoserve
Richard Pomroy	(RP)	WWU
Shaheeni Vekaria*	(SV)	Utility Warehouse
Shanna Key	(SK)	Northern Gas Networks
Shardul Pandit*	(SP)	Wales & West Utilities
Steven Britton*	(SB)	Cornwall Insight

\*via teleconference

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dist/280618>

**1. Introduction and Status Review****1.1. Approval of Minutes (24 May 2018)**

The minutes from the previous meeting were approved.

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

In the absence of an Ofgem representative there was no update provided.

**1.3. Pre-Modification discussion**

None for discussion.

**2. Workgroups****2.1. 0647 – Opening Class 1 reads to Competition**

(Report to Panel 20 September 2018)

<https://www.gasgovernance.co.uk/0647>

- 2.2. **0649S – Update to UNC to formalise the Data Enquiry Service Permissions Matrix**  
(Report to Panel 20 September 2018)  
<https://www.gasgovernance.co.uk/0649>
- 2.3. **0651 – Replacement of the Retrospective Data Update provisions**  
(Report to Panel 16 August 2018)  
<https://www.gasgovernance.co.uk/0651>
- 2.4. **0655S – Requiring a Meter Reading following a change of Local Distribution Zone or Exit Zone**  
(Report to Panel 19 July 2018)  
<https://www.gasgovernance.co.uk/0655>
- 2.5. **0657S – Requiring a Meter Reading following a change of Local Distribution Zone or Exit Zone**  
(Report to Panel 16 August 2018)  
<https://www.gasgovernance.co.uk/0657>
- 2.6. **0660 - Amendment to PARR permissions to allow PAC to update with UNCC approval**  
(Report to Panel 20 September 2018)  
<https://www.gasgovernance.co.uk/0660>

### 3. Issues

No new issues raised.

### 4. Review of Outstanding Action(s)

**DX 0201:** NGN and SGN to produce a Statement of Compliance regarding the gas safety cut off process.

5. **Update:** DM confirmed that SGN have undertaken an internal review and confirmed that SGN are fulfilling the GSR requirements. DM challenged the ability for the Distribution Workgroup to insist on a statement of compliance. SK also provided confirmation that NGN are complying with the requirements, although they are currently part way through a system and process review which should be concluded by November 2018. **Closed Any Other Business**

#### 5.1. Modification 0390 - Supply Point Offtake Review

DM reminded Shippers of the opportunity to take part in the annual review of SOQs.

#### 5.2. UNCVR – Change to Outer Tolerance

DA provided a presentation entitled: Information to support discussion at June Distribution Workgroup - UNCVR – v2 Gazprom Proposal. Recognising that parties were familiar with this topic, DA summarised that Gazprom have reviewed reads that would fail the Xoserve Validation. This has identified that in their opinion the current outer tolerance levels are set too low, therefore valid reads are unable to be loaded into Xoserve's system. The existing tolerance levels were configured to reflect a best guess at the point of Go Live and these were expected to change. The industry now have 12 months operational experience to base the analysis on.

The presentation highlighted that that changing the Outer Tolerance levels does not create systemic market risk. Allowing valid reads allows for the correct allocation of energy and reduces ongoing model error in relation to these sites which also places less reliance on reconciliation. Gazprom's analysis combined with input from EDF and Xoserve was used to establish an optimum solution which delivers the greatest likelihood of reads being accepted. By altering the Outer Tolerance levels this should not adversely impact Shippers.

DA confirmed that the June DSC Change Management Committee recommended a change to the values, and indicatively approved a target implementation on the Release 3 date. However, it should be noted that this document falls under UNCC governance.

The presentation confirmed that the proposer of the UNCVR change recognised some reservations about the values and referred this to the Development Solution Group (DSG) for further input and this was completed in June. The intention will be to provide the UNCC with a presentation on the revised UNCVR at 18th July 2018 meeting.

AN confirmed there have been several debates to identify if there were alternative values and to date no others have been provided. DA explained that the DSC Change Management Committee have considered two changes to the validation rules, one from E.ON and other from Gazprom. It was anticipated that two changes would be presented to the UNCC, and a detailed assessment is being undertaken as to the supporting information required.

DA asked the Workgroup if there were any objections to the values proposed.

MJ expressed concern about increasing tolerances and were reducing the effectiveness of the safety net from the domestic market. He did not object to the principle of updating the parameters, however he believed the parameters may not be right for the domestic market.

AN explained that it is only the outer tolerance that will be amended. DA explained that the reason for the increase in the values was that the originally proposed values were not sufficiently wide enough to represent some of the likely variations in consumption against AQ bands, although he noted the concerns against domestic consumers.

KD expressed some concerns and suggested she would like the changes undertaken in small chunks and tested/evaluated for their impact rather all at once. Her biggest concern was about whether this was the right thing to do and if it might create a shift for UIG. KD enquired if the change did not have the desired results how it could be unpicked. DA confirmed that Xoserve have received substantial amounts of feedback that the outer tolerances are too tight and believed it was the right thing, to change – however it was difficult to judge the actual impact as Shippers might be holding back reads now because of the tolerance limits.

MJ enquired what the drop-dead date would be for agreeing the values. DA confirmed that this would be at the point the build assessment had been concluded, and the longer the values are not agreed there is a risk this change cannot be run in parallel with Release 3.

KD noted that this would be an independent release. DA clarified if this was to be concluded at the same time as Release 3, due on 02 November 2018, this would ensure this change could be included in the Release 3 testing schedule, although tested separately.

BF asked under what vires this had been brought to the Distribution Workgroup. DA explained that this had been tabled for awareness, and to ensure parties have had the opportunity to consider the impacts and provide the UNCC with some comfort that the change has been considered and is supported.

The Workgroup evaluated if the new outer tolerances were better than the current set of outer tolerances. There was no clear consensus for the values presented. DA challenged if any party had a different set of values for consideration other than the two versions provided by E.ON and Gazprom.

DA referred to an embedded document within the presentation which provided some detailed analysis. The Workgroup recognised there should be a change to the values, and in the absence of an alternative set of values being provided a change this change would be submitted to the UNCC.

MJ expressed concern that if the outer tolerances are extended too much, it could result in erroneous AQs.

DA explained that around 3-4% reads are failing the outer tolerance which ultimately will feed into and affect UIG. KD explained that the full extent of the problem may not be understood as some parties may choose not to submit reads that they know would fail the outer tolerance.

KD agrees that the tolerances need to change but she still expressed a preference for this to be done via a stepped change. In principle it was agreed a change was required but KD wanted to avoid making a large-scale change with a risk this would have to be unpicked due to unforeseen repercussions.

The Workgroup considered the option of providing the UNCC with two alternatives to consider. It was also discussed which would be the most appropriate sub-committee to approve this change. It was recognised that as the Distribution Workgroup does not report directly to the UNCC that this ought to go to a sub-committee of the UNCC.

It was considered whether this change ought to be consulted upon. DA confirmed that this had been consulted upon through the DSC Change Management Committee process, whereby representations are invited on the change.

It was recognised that there was a need to get to a point of agreeing the values.

BF concluded that unless another party had an alternative set of values, the existing proposals would be submitted to the UNCC and unless a party provides an alternative set of values this is what the UNCC will consider.

### 5.3. Construction of a Meter Reading

DA provided a presentation entitled: XRN4621 - Construction of a Meter Reading where a Converter and AMR is recorded as being installed. DA confirmed that this has been presented at DSG.

DA reported that Meter Reading construction was highlighted in Project Nexus prior to implementation as an issue where a Converter and AMR device is fitted on site. In advance of Nexus, Xoserve had agreed with Shippers that they needed to provide three indexes following Nexus.

DA understood that some configurations exist which would call in two of the three indexes as they only have two ports available. However, the UNC doesn't appear to envisage this scenario for Shipper provided Meter Readings.

He highlighted that Xoserve need an assessment of numbers from Shippers of instances of Supply Meter Points sending only converted + unconverted indexes – as this may drive an alternative approach – e.g. make the Meter Reading 'Optional' in the Meter Reading records.

RP enquired about the ability for DNO Transporter provided reads. DA explained that the file formats were amended to allow this. DA provided the background to what the UNC states and what the file flows allowed. He understood from MAMs that some configurations exist which would call in converted and unconverted and Xoserve needed an assessment of numbers from Shippers of instances of this.

#### **Action 0601: Shipper to provide an assessment of the number of instances of Supply Meter Points sending converted and unconverted indexes.**

DA provided a set of areas for consideration and the UK Link flows. It was anticipated that this change would be taken through the DSC Change Management Committee.

## 6. Diary Planning

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

Workgroup meetings will take place as follows:

<b>Time / Date</b>	<b>Venue</b>	<b>Workgroup Programme</b>
10:30 Thursday 26 July 2018	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Standard Agenda
10:30 Thursday 23 August 2018	Elexon, 350 Euston Road, London NW1 3AW	Standard Agenda
10:30 Thursday 27 September 2018	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Standard Agenda
10:30 Thursday 25 October 2018	Elexon, 350 Euston Road, London NW1 3AW	Standard Agenda
10:30 Thursday 22 November 2018	Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91 2AA	Standard Agenda

**Action Table (as at 28 June 2018)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
0201	22/02/18	5.0	To produce a Statement of Compliance regarding the gas safety cut off process.	NGN and SGN	<b>Closed</b>
0601	28/06/2018	5.3	Shipper to provide an assessment of the number of instances of Supply Meter Points sending converted and unconverted indexes.	Shippers	<b>Pending</b>