

UNC Workgroup 0630R Minutes
Review of the consequential changes required in UNC as a result of
the Ofgem Switching Programme

Wednesday 06 February 2019

at voco St John's Solihull, 651 Warwick Road, Solihull, B91 1AT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Chris Warner	(CW)	Cadent
Dave Addison	(DA)	Xoserve
Gareth Evans*	(GE)	Waters Wye Ltd
Kate Mulvany*	(KM)	British Gas
Kirsty Dudley*	(KD)	E.ON UK
Lindsay Biginton*	(LB)	Utilita
Rachel Clarke*	(RC)	Gemserve
Radhika Kalra*	(RK)	E.ON
Richard Johnston	(RJ)	Xoserve
Richard Pomroy*	(RP)	Wales & West Utilities (joined late)
Steven Britton*	(SB)	Cornwall Insight
Steve Mulinganie	(SM)	Gazprom

**via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0630/060219>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 March 2019.

1. Introduction and Status Review

Bob Fletcher (BF) welcomed everyone to the meeting. The Workgroup agreed to accept the late presentation provided by Xoserve for the meeting, indicating that some comments might also be provided following the meeting when more time would be available to consider the proposals and discuss with colleagues from their organisations. David Addison (DA) confirmed that he was happy to receive comments suggesting that the presentation does not include anything new, although there were expanded scenarios and options to consider.

1.1. Approval of Minutes (07 January 2019)

The minutes from the previous meeting were approved.

2. Central Switching Services Overview

DA provided a detailed walkthrough of the presentation provided for the meeting and which can be accessed here: <http://www.gasgovernance.co.uk/0630/060219>.

The presentation included the following topics for discussion:

- Opening Meter Readings – Options and recommendation
- MAP Id - Update
- REC Enquiry Schedule – Impacts to UNC
- Receipt of Data by Shippers in advance of being the Registered User
- Market Domain Market Participant Identity Process migration to UNC – Impacts to UNC
- Treatment of Change of Supplier Only Switch Requests.

He also reminded Workgroup that previously the following topics had been discussed and concluded:

- UNC Transactions Removed
- Treatment of Priority Consumer Details
- Changes to SPA Amendment functionality.

There were two outstanding topics, default settlement values and the treatment of large site contact details which were also included in the presentation for discussion.

DA stated that the majority of the presentation relates to the treatment of meter readings.

He confirmed that the changes to the UNC need to be provided to the Ofgem Faster Switching programme by the end of March 2019. A brief discussion took place on the timing of the next meeting scheduled for 06 March 2019 and provision of Legal Text. Chris Warner (CW) stated that a description of the approach to the Legal Text would be presented to Ofgem on 25 March 2019 also suggesting that it would be sensible to have a run through of the text with Workgroup after the 25 March meeting. Workgroup asked if commentary would be provided alongside Legal Text. CW suggested that it was not clear what Ofgem's expectations are or how the text will be introduced into the individual codes and agreed to seek more clarity from Ofgem. In this context, BF reminded Workgroup that the Workgroup needed to present its report to 21 March 2019 Panel and therefore, the last meeting needs to take place before 08 March 2019. A discussion took place on whether the 06 March 2019 should be cancelled and whether an extension to the Workgroup was needed.

Steve Mulinganie (SM) sought clarification that any decisions made by Workgroup 0630R cannot be undone by other groups. In response, BF confirmed that as 0630R as with any Workgroup does not have the power to make decisions just recommendations in its report.

Opening meter readings (slide 5 – 19)

DA then explained the options and recommendations for opening meter readings.

He stated that a Switch Request will be subject to a Standstill period indicating that the solution will need to take account of a reduced Standstill period. He also conveyed to Workgroup that there is no concept of Standstill for a Shipper as a Change of Shipper Request is not subject to a Standstill period but it will require a Change of Shipper Settlement reading. In addition, he stated that the Business Rules are needed from Day 1 (D1) to take account of Shipper events.

There is an issue for a small proportion of sites where data cannot be accessed on the day. Workgroup participants agreed that an exception process is needed for those cases where there is no meter reading. SM wanted to ensure the process was to manage business as usual i.e. SMART or Advanced Metering and the exception process would be used where business as usual wouldn't be suitable.

DA took Workgroup through the existing Business Rules (slide 9) before explaining the proposals. He indicated that the preferred option is that only the incoming Shipper provides the opening meter reading. If an opening meter reading isn't provided by the Shipper by D+10 an estimate is required. DA suggested that he had received some feedback indicating that the submission window be reduced from D+10 to D+5.

Four solution options have been discussed by the technical group. DA confirmed that there are no changes in relation to Class 1 and 2 but there will be for Class 3 and 4 as there is increasing commonality between opening meter reading principles for these Classes.

DA introduced the options by stating that Option 1 has been disregarded as it creates potential complexities for example in relation to the receipt of RGMA transactions after D (slide 11).

The following comments and observations were made during a lengthy discussion about all the options:

- a. SM challenged the argument for dis-regarding Option 1. Workgroup discussed the consequences of calculating an estimate on D. SM also indicated that he considered Option 1 to be workable provided the functionality was available.
- b. Workgroup participants were not keen on Option 4. SM suggested it should be disregarded as a viable option for future Xoserve presentations.
- c. Kirsty Dudley (KD) asked to what degree Xoserve are impacted by the RGMA option in relation to Option 1.
- d. Workgroup agreed that Option 1 should be kept available for discussion. KD suggested that there might be a hybrid option which includes elements from the other options to create a new option 5.
- e. Workgroup considered the merits of a read window opening at D- and D+ (with a value to be agreed).
- f. It was suggested that substitution rules may be needed for certain circumstances and de minimis rule if there is a difference between actual D and the estimated opening read. A discussion took place on whether there is a materiality question in relation to the difference between actual and estimated reads and whether the meter reading should be changed and under what circumstances/at what threshold. There were concerns that a party could change the commercial position of another party and this would not be acceptable, this should be managed through a Shipper to Shipper relationship.
- g. DA invited Workgroup to consider what ends the read submission window stating that at the point of the actual reading the estimate would be re-considered and if materially different the estimate would be re-issued. Workgroup discussed the merits for 'locking' reads suggesting that this needs to be within an agreed window to provide the greatest flexibility.
- h. In response to a question from KD about whether the 1kW threshold value would need to be aligned in the REC, DA indicated that this might need to be considered for REC version 3.0.
- i. Workgroup participants expressed a general view that the solution should not over complicate the system any more than the current system.

- j. In relation to reading submission window there was broad agreement that the window should not close until the end of the submission period. In addition, it was agreed that a sensible principle to adopt would be to regard reads submitted in the opening window as suitable to validate the opening position.
- k. Cyclic reads versus ad-hoc reads – DA suggested that recalculation of opening reads would be needed if the estimate is incorrect to avoid subsequent problems.
- l. Gareth Evans (GE) asked how stable these proposals were and whether Ofgem could make changes at a later point to align with the electricity sector. DA indicated that it was appropriate to be cautious as Ofgem might have concerns in relation to the complexity of some Business Rules particularly in relation to opening reads.
- m. KD suggested revisiting 301/351 discussions held in SPAA where similar questions are being asked. She suggested DA review the SPAA change proposals.
- n. DA indicated that Ofgem would be concerned if the proposed solution led to delays and have re-iterated that the scope of the change must be as a result of the faster switching programme. Xoserve have to justify all changes in this context.
- o. Gareth Evans suggested that any exceptions process should have as a principle the requirement to use as much existing data as possible.
- p. As a principle it was accepted that if a read is valid it should be used if it is submitted within a relevant window'. As now a tolerance validation should be used. Concern was raised about the use of readings from an impartial source and whether these could be trusted. There was also concern that a read provided by one Shipper could subsequently be changed by another Shipper without consent and which would alter the position created originally. It was considered that the increasing use of smart and advanced meters would provide greater confidence of the accuracy of the reads. SM suggested that reads submitted through DCC are not validated as it is just a conduit. Workgroup participants preferred not to use subsequent Shipper readings and in addition, did not wish to allow subsequent Shipper readings to overcome the original read from the Shipper unless there was Shipper to Shipper agreement.

Following a lengthy discussion of all the options, DA concluded the discussion on opening meter reads by summarising the key principles/rules agreed by Workgroup:

- Opening read at D
- An option for a provisional estimate to loaded on D
- Read obtaining window is currently D-5 to D +5. To consider if this window can be reduced to reduce the risk of exceptions. Smart meters should have a smaller window compared to traditional meters so two sets of Business Rules needed for Advanced and Smart meters.
- Consider reducing the read submission window from D+10.
- Any readings from a valid source prior to the read submission date if flagged as an opening meter reading will need to be subject to a validation and tolerance check, the timescales would need to be agreed.
- Subsequent meter readings will be allowed if provided within the agreed window and subject to a validation and tolerance check.
- End of read submission window – any changes as per the current rules.
- Workgroup to consider if the valid source for a meter reading should be from the incoming Shipper only or whether it can be the incoming and subsequent Shipper.
- Principle that the previous Shippers position should not be impacted/changed without prior consent.

MAP Id (Slides 21-22)

DA explained that in the first population the intention is for Meter Asset Provider (MAP) to provide this. In the enduring phase the CDSP has a responsibility in REC to provide the MAP Id to the Central Switching Service (CSS). He added that a separate Modification has been identified through the Joint MIS Development Group to provide MAPs with the API service to facilitate this action.

SM clarified that typically contracts are with Meter Asset Managers (MAMs) and not directly with MAPs, although he noted there might be a different approach in other market sectors or energy. In addition, BF stated that a MAM might have multiple MAP contracts.

Following a brief discussion on slide 22 illustrating the MAP landscape, DA agreed to amend the slide to address concerns around language and to make the slide more accurate.

REC Enquiry Schedule – Impacts to UNC

DA stated that the Enquiry Schedule is the first cut of the market intelligence service arrangements and that the schedule is as described in SPAA Schedule 23 and is expected to be included in REC. Information on which parties are able to access data will be provided in an annex. The available data items will be provided through a data permissions matrix and will include retail and wholesale data. DA added that the REC will grant access to data should parties demonstrate the need to do so.

DA also stated that there were 2 key questions being considered. The first is who is the master of the data in terms of ownership and maintenance and the second is who the code owner is and whether it is the UNC?

Receipt of Data by Shippers in advance of being the Registered User (slides 26-36)

DA sought Workgroup views on whether the release of data should rely on response data or whether it should be triggered by CSS prompts, Retain As is, APIs or something else. He took the Workgroup through a series of slides illustrating:

- Gaining Shipper – response files
- Gaining Shipper – data availability and data permissions
- Gaining Shipper availability of data – is there a case for change?

He then explained the analysis/approach undertaken to produce a set of logical data groupings. He highlighted that more may be required if the design identifies reasons to release data within a logical data grouping at different timescales or if the content source is different.

In summary, he stated that the logical data groupings suggest release of data in response to progression of Nomination, Confirmation and Transfer of Ownership. He confirmed that the intention is to send the data issued at D-2 at secured (17:00 on D-1) and sought views on this change.

SM challenged the rationale for making certain data items available in the community view suggesting that it may be convenient but not appropriate to share some data items, especially where the information is covered by data protection or where it is of a commercially sensitive nature.

Market Domain Market Participant Identity Process migration to UNC – Impacts to UNC (slides 38 – 41)

These slides were not discussed as a UNC/DSC process change is currently being developed.

Treatment of Change of Supplier Only Switch Requests (slide 43)

DA provided a brief overview of registration requests highlighting the different types. He stated that where there is a change of Shipper this would result in a new Confirmation including a new Confirmation reference number. In relation to a switch request that only changes the Supplier the assumption is also that this would lead to a new Confirmation in UKLink. DA sought views on the latter asking if Workgroup agreed with this approach. SM suggested it should work for Gazprom but he would need to confirm this view and KD indicated that she would need to consider further as E.ON's portfolio is different.

Default settlement values (slides 45-50)

DA briefly took Workgroup through these slides describing:

- Default settlement values
- Default to Null settlement values
- Default to Null for priority consumer details.

SM challenged the default rules in relation to the application of the Shorthaul rate suggesting that the default should be the rate should continue to be applied (slide 47). He also raised concerns in relation to removal of data in relation to priority consumer details, suggesting that the consequences of Shippers not providing data which would not then be available for Transporters needed to be fully considered. He cited the example of a safety incident and the absence of consumer information suggesting that there is the potential for undermining or reducing the current arrangements for the role of the network emergency co-ordinator. DA acknowledged these concerns adding that this has to be balanced by data protection of the data that is held in the systems. CW and DA agreed to review guidance provided previously by lawyers.

DA finished with a brief update of the concluded topics (slides 52 -53).

3. **Update on Draft Legal Text**

CW provided a brief update on the progress of Legal Text stating that there are some outstanding issues.

BF asked if Dentons would be providing an overview of the draft Legal Text to UNC parties in a similar approach to that provided for the Funding and Governance Overview arrangements.

4. **Development of Request Workgroup Report**

BF sought clarification of the level of detail required for the Workgroup Report. CW suggested that a high-level report would be appropriate with a premise for Legal Text.

Workgroup agreed to seek an extension of 2 months with reporting to the May Modification Panel.

New Action 0201: Joint Office (BF) to seek a 2-month extension for the Workgroup Report to report to the May Modification Panel.

5. **Review of Outstanding Actions**

0101: Xoserve (DA) to look at the output flows and transactions for Referrals and look at the existing processes for Nominations and in what circumstances Nominations would be cancelled and offers reissued.

Update: DA confirmed that Nominations are cancelled in the event of a ratchet and not amended for A.Qs. Workgroup agreed to close this action. **Closed.**

Action 0102: Xoserve (DA) to consider the treatment and provision of Emergency Contact details.

Update: DA confirmed that this had been covered in the presentation under agenda item 2.0. Workgroup agreed to close this action. **Closed.**

6. Next Steps

It was agreed that the next meeting would be held on 06 March 2019 to receive updates on the draft Legal Text.

It was noted that further meetings would be arranged once it was understood as to the requirements for submission of Legal Text to the Faster Switching programme.

7. Any Other Business

None.

8. Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10:30, Wednesday 06 March 2019	Lansdowne Gate 65 New Road Solihull B91 3DL	Legal Text Update Review of Outstanding Actions Completion of Request Workgroup Report

Action Table (as at 06 February 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0101	07/01/19	2.0	Xoserve (DA) to look at the output flows and transactions for Referrals and look at the existing processes for Nominations and in what circumstances Nominations would be cancelled and offers reissued.	Xoserve (DA)	Closed
0102	07/01/19	2.0	Xoserve (DA) to consider the treatment and provision of Emergency Contact details.	Xoserve (DA)	Closed
0201	06/02/19	4.0	Joint Office (BF) to seek a 2-month extension for the Workgroup Report to report to the May Modification Panel.	Joint Office (BF)	Pending