

**UNC Workgroup 0664V Minutes  
Transfer of Sites with Low Valid Meter Reading Submission  
Performance from Classes 2 and 3 into Class 4**

**Friday 11 December 2020**

**via Teleconference**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Sonniya Fagan (Secretary)	(SF)	Joint Office
Andy Clasper	(AC)	Cadent
Danny Byrne	(DB)	Utilita
Dave Addison	(DA)	Xoserve
Fiona Cottam	(FC)	Xoserve
James Barlow	(JB)	Xoserve
John Welch	(JW)	PAFA
Kirsty Dudley	(KD)	E.ON
Louise Hellyer	(LH)	Total Gas & Power
Mark Jones	(MJ)	SSE

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0664/111220>

The Final Modification Report 0664VV is due to be presented at the UNC Modification Panel by February 2021

**1. Introduction and Status Review**

Bob Fletcher (BF) welcomed everyone to the meeting and confirmed the objective of this meeting was to consider the draft Modification Proposal 0664VV with the aim of reaching a position whereby the proposer would be able to raise a variation request and the Legal Text provider (Cadent) has sufficient information in order to produce and provide Legal Text.

To note, the meeting was not quorate as there was not sufficient Transportation representation present.

**1.1. Approval of Minutes (12 November 2020)**

The minutes from the previous 0664V Workgroup meeting were approved.

**1.2. Review of outstanding actions**

**Action 1101:** Reference Draft Modification 0664VV development – SSE (MJ) to consider the various points raised and provide an updated (draft) Modification 0664VV for Xoserve (DA) to review, consider and provide a view around any potential impacts for consideration at the next Workgroup meeting.

**Update:** This document was presented and reviewed in section 3.0 below. **Closed.**

**Action 1102:** Reference the Modification Governance Status - All parties to review UNC Modification 0664VV and provide a view on whether the Modification should remain an Authority Direction or satisfies Self-Governance criteria – this needs to be considered against the Panel guidance on Self-Governance criteria.

**Update:** The Self-governance status was presented, discussed, and agreed upon by the Workgroup in section 3.0 below. **Closed.**

**2. Consultation Issue for Discussion**

Specific consideration was not undertaken at the meeting as the draft variation is still under development.

### **3. Review draft Varied Modification 0664VV**

During an onscreen review presented by Mark Jones (MJ) of draft Modification 0664VV, the Workgroup provided feedback and undertook extensive discussion on the following:

- The updated status of the Modification 0664VV as a Self-governance Modification.

Kirsty Dudley (KD) noted that the following explanation within the report did not sufficiently clarify the criteria met to merit the Self-governance status. She queried if there could be information be provided to demonstrate the proposed amended governance status. E.g., 'no effect on competition', 'no material impact' etc.

John Welch (JW) highlighted that there were potential material impacts to still consider Authority Decision. BF explained that the current Self-Governance principles and criteria provided by provided the Modification Panel would substantiate the categorisation of Modification 0664VV as Self-governance.

- Point 11 in the updated solution explaining the minimum percentage performance levels required by a Shipper to ensure no intervention in enacted.

MJ advised that the Modification had been simplified to identify Shipper underperformance. Supplier performance would be managed through reporting to the industry and not included in PAC reporting which is predominately concerned with settlement performance.

KD mentioned that the decision should not allow for a consequence of free under performance by Suppliers where these are being measured in a Shipper group portfolio. She noted that the matter at hand necessitates a reporting or monitoring system in tandem.

Dave Addison (DA) raised the question of what level said reporting should be carried out. MJ explained that the solution proposed would have it done at organisational level for each Shipper.

In line with the response, it was requested that clear definitions of the parties involved should be provided in the text. E.g., 'supplier' and 'shipper'. BF stressed that the text should not differ from its original aim as it would have a drastic impact on the legal text as well as other components of the Modification. For consequently, it would be considered as a material variation and require additional consultation at minimum.

KD queried the updated solution to an example of an energy company with several Supplier IDs. DA disclosed that Company A's combined Shipper portfolio would require a performance measure averaged at 90%. If not met, it would result in the failing percentage being reclassified regardless of the performance measure met per Supplier. However, individual Supplier performance could be made available to the relevant Shipper.

Following this explanation, KD voiced concerns. She explained the practicality of this procedure only applied to companies with very few or minimum IDs. Louise Hellyer (LH) agreed to this statement and highlighted that extenuating circumstances have not been considered within the updated solution. E.g., a company has acquired an underperforming Supplier and has not had ample time to improve its performance levels which might disrupt its overall portfolio. DA noted the commentary but shared the method in question sought to curb a Shipper from sequestering an underperformance to another subsidiary Supplier or Shipper Market Participant ID (MPID).

KD expressed the Supplier intervention within the updated solution still required some development. Additionally, she noted that the solution contradicts the aim of being cost effective and non-punitive. MJ responded that the combined 90% performance measure and organisational level report was the best way to assure the aim of the Modification and requiring Shippers to meet this target.

BF mentioned that the proposed solution ties in with a CDSP XRN which could prove useful in the process being proposed as the rules do not appear to be needed for Code, but as working instructions.

- Removal of brackets in Point 10 of the updated solution.

BF noted that the use of brackets did not translate the figure to be a formal standard to be met as it was still in draft. MJ explained that the figure is proposed to be reviewed by PAC annually, thus brackets are utilised to signify its transitory nature. However, he understood where confusion could be had and noted the need to amend the Modification.

- The clarification that MPIDs are permitted under Suppliers and not Shippers.
- Reference to Suppliers where relevant to Shipper performance but not for PAC intended reports.
- Review of Point 12 and 13 to include additional reporting to highlight Shippers sites that may have had several class changes.

It was suggested that a formal notification structure be initiated as a means of transparency to the process that would validate higher-level reporting. This would come in the form of:

- Notification when class change is required.
- Notification when class change is actioned.

Thus, enabling Shippers to acknowledge and have evidence of their numerous instances of class changes and further illustrate the necessity of higher-level reporting. KD noted that this should also be indicated in the Business Rules as there would be XRN approval needed within the notification structure. DA suggested that CDSP perform the initial notification actions with Shippers followed by a review of the relevant XRN.

- Cross code implications pertaining to 'Lockout' periods.

DA queried as to whether a lockout period would still be adhered to if a site changed Suppliers, for such circumstances would lead to defaults occurring for settlements value and in turn SOQ values being defaulted. There is a possibility this might conflict with CSSC programme and would need to be reviewed, noting that longstanding, this would incur complications with CSS code components and require significant changes to the Modification.

BF responded that this change could be seen to impact a Significant Code Review, thereupon involving Panel intervention and a delay to implementation or Ofgem support for implementation. MJ remarked that this matter could be further explored within DSC Change Management Committee after CSS implementation. KD shared the opinion that the most straightforward avenue to build upon were the XRN rules associated with the Modification as it would allow for the least cost approach while understanding the impacts of CSSC programme.

- Review of Legal Text pertaining to 'Class changes within two-months'

DA highlighted that currently when a site is held in systems as the Shipper is not able to associate site details that feed into settlement, for there are difficulties in the Supplier switching approval from DSS. He queried as to whether there were validations against Shipper changes for these instances and would it impact overall performance.

KD mentioned that there is an equivalent IGT UNC Modification which would need to align to this version of the UNC Modification.

Within discussion of the potential delayed implementation timeline due to CSSC impacts and Code freezes, BF queried if the Modification could be implemented without reference to 'lockout' periods and focus on the reporting structure or if it could be implemented in phases. DA responded that the 'Lockout' period measures are the crux of actions to be generated from the Modification. He further remarked that the legal text at present stipulates the obligation on the Shippers to not reclass sites where the 'lockout' applies. During that timeframe, the 'lockout' period functionality begins and ensures that there can be no additional class amendments. However, he noted that the Modification itself cannot prevent this entirely as it would require complete revision of several system codes and files.

In turn, he suggested that an investigation into legal text should inquire as to whether CDSP could be relinquished of their obligation after a set time, therefore they would not be responsible for a reclass within the two-month limit.

Andy Clasper (AC) noted that there could be no legal text presented until this suggested amendment was comprehensively set out in the Modification. Moreover, he expressed that the text would also require review and that expectation of presentation for Panel in February 2021 was unlikely given that the next meeting is proposed for the end of January 2021.

BF noted the comment and advised an offline meeting between SSE (MJ), Xoserve (DA) and Cadent (AC) to address the matters raised.

**New Action 1201:** SSE (MJ) to update the draft Modification 0664VV taking into consideration the various points raised by the Workgroup.

**New Action 1202:** SSE (MJ), Xoserve (DA) and Cadent (AC) to discuss the legal text implications surrounding the proposed changes to the draft Modification 0664VV and consider the functionality of a staged implementation.

#### 4. **Consideration of Revised Legal Text for 0664VV**

Following discussion, legal text consideration has been deferred until the redraft of the draft Modification has been reviewed and it has been determined that legal text necessitates reconsideration.

#### 5. **Update of Final Modification Report and Variation Request in preparation for February 2021 submission**

Update deferred until the redraft of the draft Modification has been reviewed by Workgroup.

#### 6. **Next Steps**

*BF confirmed the next steps to be:*

- SSE (MJ) to provide the updated draft Modification 0664VV.
- SSE (MJ), Xoserve (DA) and Cadent (AC) to discuss impacts on legal text garnered from the Modification redraft and consider a staged implementation model for 0664VV.
- Confirm whether UNC Panel extension to March 2021 is to be sought.

**7. Any Other Business**

None

**8. Diary Planning**

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

The next meeting was agreed to be held at the next Distribution Workgroup (28 January 2021).

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 – 16:00 Thursday 28 January 2021	5pm Thursday 21 January 2021	Teleconference	Standard Items

**Action Table (as of 11 December 2020)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	12/11/20	4.0	<i>Reference Draft Modification 0664VV development</i> – SSE (MJ) to consider the various points raised and provide an updated (draft) Modification 0664VV for Xoserve (DA) to review, consider and provide a view around any potential impacts for consideration at the next Workgroup meeting.	SSE (MJ) & Xoserve (DA)	<b>Closed</b>
1102	12/11/20	10.1	<i>Reference the Modification Governance Status</i> - All parties to review UNC Modification 0664VV and provide a view on whether the Modification should remain an Authority Direction or satisfies Self-Governance criteria – this needs to be considered against the Panel guidance on Self-Governance criteria.	All parties	<b>Closed</b>
1201	11/12/20	3.0	<i>Review draft Varied Modification 0664VV</i> - SSE (MJ) to update the draft Modification 0664VV taking into consideration the various points raised by the Workgroup.	SSE (MJ) & Xoserve (DA)	<b>Pending</b>
1202	11/12/20	3.0	<i>Review draft Varied Modification 0664VV</i> - SSE (MJ), Xoserve (DA) and Cadent (AC) to discuss the legal text implications surrounding the proposed changes to the draft Modification 0664VV and consider the functionality of a staged implementation.	Cadent (AC), SSE (MJ) & Xoserve (DA)	<b>Pending</b>

