

UNC Workgroup 0644 Minutes

Improvements to nomination and reconciliation through the introduction of new EUC bands and improvements in the CWV

Monday 11 June 2018

via teleconference

Attendees

| | | |
|-----------------------------|-------|------------------------|
| Bob Fletcher (Chair) | (BF) | Joint Office |
| Mike Berrisford (Secretary) | (MB) | Joint Office |
| Carl Whitehouse | (CWh) | First Utility |
| Chris Warner | (CWa) | Cadent |
| Fiona Cottam | (FC) | Xoserve |
| Joseph Lloyd | (JL) | Xoserve |
| Kirsty Dudley | (KD) | E.ON |
| Louise Hellyer | (LH) | Total Gas & Power |
| Mark Jones | (MJ) | SSE |
| Mark Palmer | (MP) | Orsted |
| Mark Rixon | (MR) | Engie |
| Rachel Hinsley | (RH) | Xoserve |
| Richard Pomroy | (RP) | Wales & West Utilities |
| Sallyann Blackett | (SBI) | E.ON |
| Steven Britton | (SBr) | Cornwall |
| Zoe Ireland | (ZI) | British Gas |

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0644/110618>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 July 2018.

1.0 Introduction and Status Review

1.1 Approval of Minutes (22 May 2018)

The minutes of the previous meeting were approved.

2.0 Review of Amended Modification

KD provided an overview of the latest amendments to the modification (v3.0, dated 25 May 2018) inline with previous Workgroup feedback and comments, which mainly related to the legal text. KD went on to highlight the main changes made to Sections 3 (Why Change?) and 5 (Solution), explaining that she has discussed requirements with Cadent who are the legal text provider in this instance.

KD advised that Cadent believe that it is preferable to accommodate the proposed changes via amendments to the NDM Demand Estimation Methodology document, rather than the UNC modification route requiring changes to the UNC. KD explained that she is unwilling to formally withdraw UNC 0644 at this time, until such amendments to the NDM Demand Estimation Methodology document have been approved by the Uniform Network Code Committee (UNCC).

In noting that the original modification was ‘de-scoped’ in order to meet a proposed 2018 implementation deadline, BF wondered whether Workgroup parties believe that we still need the modification in order to progress the matter to a successful resolution. Responding, CWh suggested that in his opinion the Workgroup should approve the proposed NDM Demand Estimation Methodology document amendments and seek UNCC approval at the forthcoming 21 June 2018 UNCC meeting, and thereafter KD could formally withdraw the modification – an approach which was supported by KD.

3.0 Review of Draft Legal Text

Whilst acknowledging that this is not a review of specific UNC related legal text, the Workgroup undertook a review of the proposed amendments to the NDM Demand Estimation Methodology document, during which FC focused attention on the principal changes highlighted in red.

FC reminded those in attendance that the ‘End User Category’ changes are NOT included within the NDM Demand Estimation Methodology document itself, but are available in the form of a booklet (that the Demand Estimation Sub-Committee review) that is published on the Xoserve secure web site portal.

Focusing on the additional paragraph 3.4.4, FC enquired whether or not KD and SBI would be happy with the proposed (interim) arrangement, which they responded by indicating that they were. FC also explained that the logical positioning (within the document) of this new statement is primarily to aid new user understanding.

FC drew attention to the new key statement on page 9 that starts “*These factors will not be applied to the DAFs as used in the formula for the derivation of Annual Quantities (UNC H3.2.1)*”, before confirming that the remainder of the document is not changing.

Moving on, BF drew the Workgroup’s attention to an aspect of governance that may have been missed, namely that if the NDM Demand Estimation Methodology document is to be approved by the UNCC, then should DESC also be engaged and asked to provide its views and a recommendation, before it is formally submitted to the UNCC for approval – in acknowledging the point, FC advised that the next DESC meeting is scheduled for 09 July 2018.

In debating the potential timescales associated with seeking DESC approval first, KD voiced her concern and confirmed that she would prefer to see the NDM Demand Estimation Methodology document approved at the 21 June UNCC meeting rather than wait until the July UNCC meeting. At this point, BF reminded everyone that the updated NDM Demand Estimation Methodology document would become immediately effective upon (UNCC) approval – taking in mind the October 2018 delivery target, KD continued to favour a June UNCC approval.

BF then asked those parties in attendance, who are also DESC members, whether they would support an email based approval of the proposed NDM Demand Estimation Methodology document changes – the consensus was yes.

BF then requested that either KD or FC provides a pre-amble to support the email approval request to DESC – KD asked FC to undertake a quick first draft that she would then review before forwarding to the Joint Office for issuing to DESC members.

BF pointed out that any DESC (email) approval would need to be completed by close of play on Wednesday 13 June 2018 in order to meet the June UNCC submission deadline. It was agreed that the new (amended) version of the NDM Demand Estimation Methodology document could be published anyway pending feedback from both DESC and the UNCC.

4.0 Completion of Workgroup Report

During a brief onscreen review of the draft Workgroup Report (v0.3, dated 29 May 2018), BF suggested that perhaps the best way forward would be to seek an extension to the Panel

reporting date in order to allow sufficient time for the DESC/UNCC processes to complete that would also allow E.ON sufficient time to consider formally withdrawing the modification.

BF explained that based on the Workgroup discussions, and proposed approach, he would now look to refine the Workgroup Report to include an explanation behind the proposed process and the fact that in essence, the modification status becomes self-governance, rather than an authority directed modification. When asked about any potential (direct) 'consumer impacts', BF suggested that as the modification is now self-governance it is unlikely that there would be any direct consumer impacts involved. KD also suggested that UNC Modification 0659 'Improvements to the Composite Weather Variable' would be best placed to take forward this area of concern, especially as she has not applied any changes of this nature to UNC 0644 because she was awaiting a view from the Workgroup around how best to progress the modification.

KD went on to indicate that in her opinion there are still some potential cross code related impacts associated with UNC 0644 and that the iGTs should be kept informed of progress. KD also pointed out that she expects that the matter would be given further consideration at the 13 June 2018 DSC Change Management Committee meeting – it was noted that the DSC Change Management Committee has already consulted on the modification.

When CW requested that should E.ON formally withdraw the modification, a supporting narrative should be provided in order to make it clear to the industry what has happened, KD acknowledged the point and confirmed she would provide a justification statement to the Joint Office at the appropriate time.

5.0 Review of outstanding actions

There were no outstanding actions to consider.

6.0 Next Steps

BF confirmed that he would update the Workgroup Report to reflect Workgroup discussions and process proposals, and seek an extension to the reporting date at the 21 June 2018 Panel meeting.

7.0 Any Other Business

None.

8.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

| Time / Date | Venue | Workgroup Programme |
|---------------------------------------|-------------------------------------------------------------------------------|---------------------|
| 10.00 Wednesday 27 June 2018 | Joint Office, Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA | To be confirmed. |