

**UNC Workgroup 0672 Minutes**  
**Incentivise Product Class 4 Read Performance**  
**Tuesday 21 May 2019**  
**at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office
Alan Raper	(AR)	Observer
Alexander Mann*	(AM)	Gazprom
Andy Clasper	(AC)	Cadent
Carl Whitehouse*	(CW)	Shell Energy
Derek Clark	(DC)	CNG Ltd
Emma Smith	(ES)	Xoserve
Fiona Cottam	(FC)	Xoserve
Guv Dosanjh	(GD)	Cadent
Imran Shah*	(IS)	Centrica
John Welch	(JW)	npower
Kirsty Dudley*	(KD)	E.ON
Leanne Jackson	(LJ)	Xoserve
Louise Hellyer	(LH)	Total Gas & Power
Luke Reeves*	(LR)	EDF Energy
Mark Bellman*	(MB)	Scottish Power
Mark Jones	(MJ)	SSE
Mark Palmer*	(MP)	Orsted
Megan Coventry*	(MC)	SSE
Rob Johnson*	(RJ)	Waters Wye Associates
Rose Kimber	(RK)	CNG Ltd
Simon Harris	(SH)	Xoserve
Stephanie Clements	(SC)	Scottish Power
Tracey Saunders	(TS)	Northern Gas Networks

*\*via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0672/210519>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 July 2019.

**1. Introduction and Status Review**

**1.1. Approval of Minutes (29 April 2019)**

The minutes from the previous meetings were approved.

## 2. Consideration of Amended Modification

When SC indicated that she was unsure of the current status of the modification and would welcome deferral of any consideration at this meeting, RK voiced concerns on behalf of CNG Ltd, explaining that the modification has the potential to cause them significant difficulties as it is based at a Shipper rather than Supplier level (for charging purposes) – in short, it has the potential to impose a significant system (redesign) burden upon CNG Ltd, as they ship for a number of independent Suppliers and would not have the required information to allocate the additional charges as the Modification proposes an aggregated Shipper report.

In observing that this modification relates to a Shipper contract matter, BF suggested that CNG Ltd discusses the matter with the Proposer (ScottishPower) offline.

When DC went on to explain that it is the level of supporting information utilised for invoicing purposes which concerns CNG Ltd the most, FC doubted that having supporting information on 'failing sites' would enable CNG Ltd to address their issues – in short, the issue boils down to how the 'target' would be assigned to failing sites.

In trying to outline the potential problem in more detail, MB believed the issue stems from the charge being levied at a Shipper level and how this would then be translated to a Supplier level. In acknowledging that he had not envisaged this potential issue when raising the modification, MB wondering whether it might be possible to identify failing sites via the BAC system. When asked, DC confirmed that if meter points could be identified at a Supplier level that would certainly help alleviate CNGs concerns on the matter – it remains to be seen whether Xoserve would be able to accommodate this requirement within the existing systems and data.

Looking at the problem from a different perspective, AR suggested that CNG Ltd would need to agree with their Suppliers how best to address this matter and perhaps the answer lies in seeking a specific report from Xoserve on a bilateral arrangement. FC then advised that Xoserve hold Supplier information as a 'memo field' within the system which could potentially be refined to provide suitable information to Shippers/Suppliers.

In explaining that E.ON UK has also been looking at something similar, KD suggested that care would be needed should it be decided that new Supplier provisions should be introduced, as this has Cross Code implications that would need careful consideration. When AR responded and clarified that this is NOT what he was proposing, MB provided a brief explanation behind ScottishPower's Supplier relationship – KD indicated that she would be happy to support addressing the CNG Ltd problems via an enhancement to reporting provisions, although this would need careful consideration of the business rules and Rough Order of Magnitude (ROM) requirements.

When asked which option he would prefer to follow (i.e. bi-lateral agreement or enhancement to reporting provisions) MB indicated that he favours a reporting based solution, and would be looking to amend the modification accordingly.

BF noted that once an amended modification is provided, a formal ROM request could be submitted along with the provision of (draft) legal text.

## 3. Consideration of Business Rules

Consideration deferred.

## 4. Consideration of Costs

Consideration deferred.

## 5. Consideration of Legal Text

When AC suggested that in his opinion it is too early in proceedings to provide the legal text, further consideration of this item was deferred.

**6. Development of Workgroup Report**

Consideration deferred.

**7. Review of Outstanding Actions**

**Action 0101:** ScottishPower (MB) to add detailed business rules into the Modification in relation to the incentive charge section to allow the Legal Text to be produced.

**Update:** In line with the discussions undertaken during item 2 above, consideration of the action was deferred until the 24 June 2019 Workgroup meeting. **Carried Forward**

**8. Next Steps**

BF outlined the next steps as follows:

- consideration of amended modification;
- submission of the associated ROM;
- consideration of legal text, and
- development of the Workgroup Report.

**9. Any Other Business**

None.

**10. 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:

Time / Date	Venue	Workgroup Programme
10:30 Tuesday 24 June 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Workgroup agenda, plus <ul style="list-style-type: none"> <li>• Consideration of amended modification</li> <li>• Submission of ROM</li> <li>• Consideration of legal text</li> <li>• Development of Workgroup Report</li> </ul>

**Action Table (as at 21 May 2019)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0101	22/01/19	2.0	To add detailed Business Rules into the Modification in relation to the incentive charge section to allow the Legal Text to be produced.	Scottish Power (MB)	<b>Carried Forward</b>