





UNC Final Modification Report		At what stage is this document in the process?
<h1>UNC 0681S:</h1> <h2>Improvements to the quality of the Conversion Factor values held on the Supply Point Register</h2>		<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
<p>Purpose of Modification:</p> <p>The purpose of this Modification is to improve the quality of the Conversion Factor data item on the Supply Point Register, which will in turn improve the accuracy of measured energy and therefore AQS.</p>		
	The Panel determined that this self-governance modification be implemented.	
	High Impact: None	
	Medium Impact: Gas Shippers and CDSP	
	Low Impact: Gas Transporters (Large, Small and IGTs)	

Contents	
1 Summary	3
2 Governance	3
3 Why Change?	4
4 Code Specific Matters	4
5 Solution	5
6 Impacts & Other Considerations	5
7 Relevant Objectives	7
8 Implementation	7
9 Legal Text	8
10 Consultation	10
11 Panel Discussions	15
12 Recommendations	16
Timetable	
Modification timetable:	
Initial consideration by Workgroup	28 March 2019
Amended Modification considered by Workgroup	07 June 2019
Workgroup Report presented to Panel	20 June 2019
Draft Modification Report issued for consultation	21 June 2019
Consultation Close-out for representations	11 July 2019
Final Modification Report available for Panel	15 July 2019
Modification Panel decision	18 July 2019 (at short notice)



Any questions?

Contact:

Joint Office of Gas Transporters



enquiries@gasgovernance.co.uk



0121 288 2107

Proposer:

**Kirsty Dudley
EON UK**



kirst.dudley@eoneenergy.com



07816 172645

Transporter:

**Guv Dosanjh
Cadent**



Gurvinder.Dosanjh@cadentgas.com



**07773 151
572**

Systems Provider:

Xoserve



UKLink@xoserve.com

Other:

Fiona Cottam



fiona.cottam@xoserve.com

1 Summary

What

This Modification proposes that the CDSP should assist in improving data quality by making updates to the conversion factor data item on the Supply Point Register, in certain circumstances (and advising the relevant Shipper of any updates).

Why

The Unidentified Gas (UIG) Task Force (as established by [UNC Modification 0658](#)) has determined that incorrect conversion factors could be contributing to daily levels of UIG, due to incorrect data being used in energy calculations, and as a result, incorrect daily energy allocations due to incorrect AQs. The Task Force assessment of UIG equivalent to 0.1% of total LDZ throughput is an estimate, as the more accurate conversion factors were not available for the calculations.

How

This Modification proposes that the CDSP should be given the authority to make changes to the conversion factor in the following circumstances only:

- a) where the AQ of a meter point falls to 732,000 kWh or lower, the conversion factor should be updated to the default of the standard value of 1.02264, as specified in the Gas (Calculation of Thermal Energy) Regulations, with effect from the effective date of the new AQ.
- b) where the AQ of a meter point increases above 732,000 kWh, the conversion factor should be set to the last non-standard factor held on the Supply Point Register (if one is available) with effect from the effective date of the new AQ.

2 Governance

Justification for Self-Governance, Authority Direction or Urgency

The Modification Panel determined that this Modification is suitable for self-governance procedures, on the basis that it is a minor change to industry governance and processes and seeks to bring in new processes to ensure that end consumers have valid conversion factors only by creating a safety net in the CDSP processes. Consumers at sites with AQs on or below the 732,000kWh threshold should already be billed using the standard conversion factor. This change would help to bring Shipper allocations and measurements into line with their Supplier's end consumer billing.

Sites with AQs above the threshold should be billed using a site-specific factor already. Only sites where there is already a non-standard factor on file would have the data item changed automatically. The non-standard factor would have been previously provided by a Shipper.

This change does not propose that the CDSP undertakes or requests any assessment of new non-standard conversion factors or organises any site visits, therefore there would be no disturbance or inconvenience to the end consumer.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to self-governance

- proceed to Consultation

The Workgroup recommends that this Modification should be considered as suitable for self-governance and be issued to consultation. The Modification should not have a material impact as it proposes to improve the accuracy of information recorded on Central Systems and which should currently be provided.

3 Why Change?

The current arrangements whereby the conversion factor can only be updated by the Shipper have resulted in a number of sites having inappropriate values. As at late 2018 the Supply Point Register showed:

- a) c. 5,000 sites (around 15% of eligible sites) above the threshold which still had the standard conversion factor, whereas they should have their own site-specific value. This could be understating the annual consumption of these sites by a net 7.4% and contributing around 0.1% of total LDZ throughput to UIG
- b) c. 10,000 sites (out of 24 million) on or below the threshold that have a non-standard conversion factor, whereas the standard value of 1.02264 should always apply to those sites. On average the annual usage of these sites is being overstated by around 3.8%, due to the use of an incorrect conversion factor, and therefore slightly reducing UIG by the equivalent of 0.01% of total LDZ throughput

Each Shipper receives a count of their scenario a) sites in their monthly Shipper Performance Pack from the CDSP, and the statistics are also published as part of the monthly Performance Assurance Reports. However as at late 2018 there were still around 15% of eligible sites without a site-specific conversion factor.

In 2017 comms 1782.1 which had options for UKLP CR065 – Correction Factor Application was withdrawn by the CDSP because at that time Shippers (via the Solution Development Group) felt that correction factors should be updated by the Supplier/Shipper, the analytics in 2018 have shown that the volumes have not reduced.

Another consideration is SPAA Change Proposal (SCP) 459 - Identification of Meters with Conversion Capability within Market Domain Data, this may need to be considered as part of solution development.

The UIG Task Force has identified that these sites could be contributing to around 0.1% of total LDZ daily throughput to UIG, and that this is not corrected by subsequent meter point reconciliation.

More proactive measures are required to address these inconsistencies, wherever possible. As the general premise of UNC is that Shippers are responsible for data quality, a UNC Code Mod is required to give the CDSP authority to change this data item.

This solution is to act as a safety net to ensure conversion factors are as accurate as possible. It is preferred that Suppliers/Shippers utilise the Shipper Packs and update these values themselves rather than the CDSP conducting this exercise.

4 Code Specific Matters

Reference Documents

UIG Task Force findings:

<https://www.xoserve.com/media/1954/task-force-findings-item-121123.pdf>

The Gas (Calculation of Thermal Energy) Regulations 1996

<http://www.legislation.gov.uk/ukxi/1996/439/regulation/2/made>

Knowledge/Skills

An understanding of energy calculation, reconciliation and AQ would be helpful.

5 Solution

This Modification proposes for the CDSP to be granted permissions to proactively allocate a valid conversion factor to a meter point.

The CDSP should be granted the permission to make changes to the conversion factor in the following circumstances – in scenarios not named the CDSP is to ensure the meter points are included an individual review (which may also appear in the shipper packs received by Shippers) but will be out of scope of this Modification:

- a) where the AQ of a meter point falls to 732,000 kWh or lower, the conversion factor should be updated to the standard value of 1.02264, as specified in the Gas (Calculation of Thermal Energy) Regulations, from the effective date of the new AQ.
- b) where the AQ of a meter point increases above 732,000 kWh, the conversion factor should be set to the last non-standard factor held on the Supply Point Register (if one is available) with effect from the effective date of the new AQ.

The amendments would be delivered in two parts

- 1) updating of meter points already identified, these will be completed a minimum of 30 Supply Point Systems Business Days after modification implementation by the CDSP. This is to allow Shippers/Suppliers to update the values themselves.
- 2) updating of meter points identified on an enduring basis, these will be completed a minimum of 30 Supply Point Systems Business Days after notification via the AQ changing under the rules outlined in G1.6.6 e.g. M+30 Supply Point Business Days, this allows time for Shippers to proactively update and if they remain then the CDSP will update them as per the rules outlined above.

Notifications will be issued by the CDSP confirming updates and values allocated by the updates in parts a) and b) so Shippers are directly aware which meter points have been updated.

For the avoidance of doubt, where a meter point has a corrector fitted or is missing the last non-standard factor it will be deemed out of scope of this modification and business rules. This mod only seeks to deliver the task force findings of approx. 15k meter point conversion factor amendments.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

None identified.

Consumer Impacts

This change does not propose that the CDSP undertakes or organises any site visits, therefore there would be no disturbance or inconvenience to the end consumer.

No direct impacts on Consumers or Consumer billing have been identified, as Suppliers should be billing Consumers in line with the Thermal Energy Regulations. These changes should ensure information for Transporters, Shippers and Suppliers is aligned.

Consumer Impact Assessment	
Criteria	Extent of Impact
Which Consumer groups are affected?	None anticipated
What costs or benefits will pass through to them?	None anticipated.
When will these costs/benefits impact upon consumers?	Not applicable.
Are there any other Consumer Impacts?	None identified.

Cross Code Impacts

It has been confirmed that there are no IGT UNC impacts, an equivalent IGT UNC Modification IGT127 has been withdrawn.

It is not anticipated a SPAA change would be required.

EU Code Impacts

None identified.

Central Systems Impacts

CDSP systems will need to be changed to identify sites in both scenarios, to apply the required changes, establish reporting and to notify the relevant Shipper of the changes that have been made. A DSC Change Proposal has been raised to be developed in conjunction with this Modification.

Workgroup Impact Assessment

This Modification would provide benefits as it represents an incremental step forward that should be classed as a quick win in terms of starting to address UIG related issues identified by the UIG Task Force.

It was noted that should this Modification be implemented; it should be possible to update the data for around 15000 sites by the beginning of the Winter which should have a benefit to UIG.

Some Workgroup participants noted that where the site AQ is less than 732,000 kWh and there is a convertor in situ, the Thermal Energy Regulations allow for Consumer agreed site specific conversion factors to be used, although this Modification currently doesn't take account of this scenario it is not considered to be a material impact.

It was noted that where a converter has failed, these sites would require a site specific conversion factor to be preloaded in the systems and that all sites with converters would be excluded from the process.

Rough Order of Magnitude (ROM) Assessment

The ROM is to be published alongside this Workgroup Report.

7 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

d) More accurate gas allocation and reconciliation should promote competition by helping to reduce the unexplained levels of Unidentified Gas (UIG) and improving cost targeting, therefore further competition and Relevant Objective d).

f) Ensuring the accurate recording of data in Central Systems should support the alignment of Transporter, Shipper and Supplier billing which should facilitate Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code.

8 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

However, as a DSC Change Proposal is being progressed, it is proposed that there are two parts to implementation:

Part 1

Enduring implementation – this will be linked to the DSC Change Proposal and a date approved by the DSC Change Management Committee.

Part 2

One off exercise to update any Meter Points which have not been proactively updated by Shipper/Suppliers. This will be conducted no earlier than 30 Supply Point Systems Business Days after the implementation date approved by the DSC Change Management Committee and no later than 60 Supply Point Systems Business Days after implementation.

9 Legal Text

Legal Text has been provided by Cadent and is included below. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

Text Commentary

Notes

1. This table is based on the Legal Text for Modification 0681S published on the Joint Office website on 04 June 2019

TPD	Topic	Explanation
SECTION M – SUPPLY POINT METERING		
New paragraph 4.2.16	Conversion factor values held on the Supply Point Register	<p>This new paragraph allows the CDSP, on a monthly basis, to amend the relevant conversion factor in the Supply Point Register to:</p> <ul style="list-style-type: none"> (a) The standard value of 1.02264 (as amended from time to time in the Gas (Calculation of Thermal Energy) Regulations 1996), where the Annual Quantity is 732,000 kWh or below; or (b) The last non-standard factor held on the Supply Point Register for the relevant Supply Meter Point (if one is available) where the Annual Quantity is above 732,000 kWh.
New paragraph 4.2.17	Conversion factor values held on the Supply Point Register	<p>This paragraph prevents the CDSP from amending the Supply Point Register as set out in paragraph 4.2.16 where:</p> <ul style="list-style-type: none"> (a) In relation to points 4.2.16 (a) and (b), unless notification of the proposed amendment has been provided to the Registered User and 30 Supply Point Business Days have passed since that notification. (b) In relation to paragraph 4.2.16(b), there is no non-standard factor held for the relevant Supply Meter Point. <p>This paragraph also requires the CDSP to notify the Registered User once an amendment under paragraph 4.2.16 has been made.</p>

PART 11C – TRANSITIONAL	Topic	Explanation
----------------------------	-------	-------------

RULES		
Insert new paragraph 1.3.7 – TPD Section M4.2.16	Conversion factor values held on the Supply Point Register	<p>This new paragraph allows the CDSP to amend the relevant conversion factor in the Supply Point Register for all existing Supply Meter Points to:</p> <ul style="list-style-type: none"> (a) The standard value of 1.02264, where the Annual Quantity is 732,000 kWh or below; or (b) The last non-standard factor held on the Supply Point Register for the relevant Supply Meter Point (if one is available) where the Annual Quantity is above 732,000 kWh. <p>No update should be made under sub paragraph (b) if there is no relevant non-standard factor.</p> <p>The CDSP should not make any amendments under this paragraph before the expiry of 30 Supply Point Business Days after the implementation of Code Modification 0681S.</p>

Text

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION M – SUPPLY POINT METERING

Insert new paragraph 4.2.16

4.2.16 Subject to paragraph 4.2.17 and following notification of the Annual Quantity by the CDSP to the Registered User in accordance with TPD G 1.6.6, the CDSP may amend the conversion factor in the Supply Point Register for all Supply Meter Points as follows:

- (a) where the Annual Quantity of a Supply Meter Point is 732,000 kWh or lower, the CDSP may amend the conversion factor in the Supply Point Register to the standard value of 1.02264 or as the standard value is amended from time to time in accordance with the Gas (Calculation of Thermal Energy) Regulations 1996;
- (b) where the Annual Quantity of a Supply Meter Point is above 732,000 kWh, the CDSP may amend the conversion factor to the last non-standard factor for the relevant Supply Meter Point held on the Supply Point Register.

Insert new paragraph 4.2.17

4.2.17 The CDSP shall not update any conversion factors in the Supply Point Register in accordance with paragraph 4.2.16:

- (a) unless notification of the proposed amendment has been provided to the Registered User and 30 Supply Point Business Days have passed since that notification. A further notification should be provided to the Registered User at the end of the 30 Supply Point Business Days period to confirm which of the proposed amendments have been made.
- (b) where, under paragraph 4.2.16(b) above, there is no relevant non-standard factor available for the relevant Supply Meter Point on the Supply Point Register.

Re-number existing paragraph 4.2.16 as 4.2.18.

UNIFORM NETWORK CODE – TRANSITIONAL DOCUMENT

PART 11C – TRANSITIONAL RULES

1. UNIFORM NETWORK CODE

Insert new paragraph 1.3.7 – TPD Section M4.2.16

1.3.7 Not before 30 Supply Point Business Days after the implementation of code modification 0681S, the CDSP shall, for all existing Supply Meter Points, update the conversion factor in the Supply Point Register to:

- (a) The standard value of 1.02264, where the Annual Quantity is 732,000 kWh or below; or
- (b) The last non-standard factor held on the Supply Point Register for the relevant Supply Meter Point (if one is available) where the Annual Quantity is above 732,000 kWh. No update should be made if there is no relevant non standard factor for the relevant Supply Meter Point.

10 Consultation

Panel invited representations from interested parties on 20 June 2019. The summaries in the following table are provided for reference on a reasonable endeavours basis only. It is recommended that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

Of the 7 representations received 5 supported implementation, and 2 were not in support

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
BUUK	Support	d - positive f - positive	<ul style="list-style-type: none"> Meets both of the relevant objectives outlined, facilitating competition through having more accurate costings and promoting efficiency across the industry. Notes the IGT UNC equivalent Modification has been determined as not necessary. The IGT UNC legal text already points across to the proposed UNC text at a high enough level.
Cadent	Support	d - positive f - positive	<ul style="list-style-type: none"> Modification would lead to more accurate allocation and reconciliation and therefore provide a positive contribution to the reduction of UIG. Agrees with the Self-Governance Statement that this is a non-material change to the UNC and can be subject to Self-Governance. Cadent support the delivery in two parts as identified.
EDF Energy	Oppose	d - None f - None	<ul style="list-style-type: none"> Does not support implementation as this process would allow the Central Data Service Provider (CDSP) to unilaterally update a Conversion Factor after any period of time.

			<ul style="list-style-type: none"> • Recent issues with Annual Quantity (AQ) calculations at CDSP has given rise to inaccurate AQ values, that in some instances inaccurately indicate an AQ in excess of 732,000 kWh. On 03/07/2019 CDSP identified approximately 177,000 supply points across the industry where AQ values had been incorrectly calculated due to issues with CDSP processes. • Until issues relating to the calculation of AQ values have been resolved by CDSP and a sustained period of stability is achieved, reliance on AQ values to drive an automated change to Conversion Factor values held on the Supply Point Register by CDSP presents a significant risk to the quality of this data. • EDF Energy recommends the procurement of a new central process for calculating and maintaining site specific Conversion Factors held on the Supply Point Register. • Existing industry processes for obtaining site specific Conversion Factors are unclear and do not allow for any process automation. Due to this and the lack of site specific Conversion Factor assessments where no previous value is held on file under this proposal, a central service could provide both clarity and automated processes for the benefit of the industry and the data held on the Supply Point Register. • Rather than updates to Conversion Factors being processed on behalf of shippers by the CDSP, an escalation and penalty process should be implemented to discourage parties from taking no action to update Conversion Factors in the knowledge CDSP will undertake this task on their behalf, should they fail to act. This could be delivered by utilising the Shipper Performance Packs and introducing a financial penalty for failures to update this data after a period of time has lapsed following notification. This could provide an appropriate incentive for Shippers to both improve and maintain the quality of Conversion Factors held on the Supply Point Register. • With the appropriate Shipper incentives, a new central service facilitating requests and responses via Application Program Interfaces (APIs) the process could be: <ol style="list-style-type: none"> 1. The AQ Rolling / Correction process triggers a notification to Shippers where the site AQ increases or decreases against the threshold of 732,000 kWh and the installed meter does not have
--	--	--	---

			<p>a reflective Conversion Factor.</p> <ol style="list-style-type: none"> 2. Upon notification the Shipper reviews the calculation of the AQ and submits an AQ correction in the event the AQ calculation is deemed to be inaccurate. 3. If the new AQ is 732,000 kWh or less the Supplier requests the Meter Asset Manager (MAM) to set the standard Conversion Factor and to provide an ONUPD file to reflect the update. If the new AQ is greater than 732,000 kWh then the Supplier requests the MAM to contact CDSP to obtain a site specific Conversion Factor and to provide an ONUPD file with the new Conversion Factor to the Supplier. The Supplier then sends confirmation to the CDSP via the Shipper. 4. On acceptance the CDSP updates the Supply Point Register and estimates meter readings for AQ threshold change date and provides these to the Shipper. 5. If an update to the Conversion Factor or an AQ correction is not processed after 50 working days, a 10 working day penalty charge notice is issued to the Shipper. Should no progress be made after 60 working days (50 working days and 10 working days of penalty charge notice) a daily penalty charge is imposed upon the Shipper until the update is processed, subject to an appeal process <ul style="list-style-type: none"> • It is unlikely a significant and lasting improvement to the quality of the Conversion Factor values held on the Supply Point Register will be realised without a new central service to provide clear and automated processes, together with the appropriate incentives for Shippers to act. • EDF Energy feel that if such a solution is resolved by November 2019 then they feel a June 2020 release would be practical but that would rely on procuring a central service for calculating conversion factors detailed above. • Feels this could be done by Xoserve on behalf of industry and run in parallel with work required by parties to be ready for June 2020. • No immediate implementation costs are identified as a result of this proposal, however the potential requirement to retrospectively correct Conversion Factors as a result of inaccurate AQ calculations would present both an impact and cost associated to this process.
--	--	--	--

E.ON	Support	d - positive f - positive	<ul style="list-style-type: none"> • Supports the implementation of this principle which works to ensure a safety net is in place to highlight and update incorrect conversion factors. It also seeks to address the known incorrect values which haven't been addressed for some time. • E.ON recognises that some suggestions for the DSC solution have raised concerns but as this proposal seeks to introduce a process which ensures adherence to the thermal energy regulations E.ON supports it. • Believes the DSC Change Management Committee can resolve the design requirements upon successful approval of this Modification. • This Modification is an initial step and may require further work to address all scenarios where incorrect conversion factors occur. • This solution was also a suggestion from the UIG Task Force and could seek to address an element of the ongoing UIG issues Shippers face. • Supports the principles being introduced into the UNC. • Support the change being introduced as Self-Governance and that delivery will be in two parts: <ol style="list-style-type: none"> 1. Address the outstanding incorrect values 2. Introduce an enduring process. <p>Both should be in line with the DSC Change Committee deliverables but ideally part 1 would be delivered before the end of 2019.</p>
ICoSS	Oppose	b – negative d - negative	<ul style="list-style-type: none"> • Agree with the proposer of the Modification that improvement of the conversion factor data item on the supply point register will have a reductive effect on UIG because of the improvements it will make to measured energy. • However, ICoSS have some concerns about the solution. Principally, they disagree that when the AQ of a given site falls below 732,000 kWh that the CF should revert to a default value as this would make any subsequent energy calculation less accurate. • ICoSS also draw attention to the fact that sites with volume converters installed and a site-specific conversion factor that also have an AQ lower than 732,000 will lose their unique conversion factor under this proposal which will cause problems (and potentially negatively impact UIG) should their converters fail. • Would support a Modification that only sought to correct

			<p>meter points whose AQ is greater than 732,000 kWh and require a bespoke conversion factor.</p> <ul style="list-style-type: none"> • Expect that sufficient time be given to ensure awareness of the change and subsequent implications, and readiness among industry parties. • Not identified any costs associated to this Modification. • No comments with regards to the Legal Text. • Have additional concerns about sites that have an AQ that would mean frequent transition across the 732,000 AQ threshold and the impact that this would have on billing these customers, and the amount they are charged should the CF change needlessly to a less accurate one. • Also disappointed that sites that have never had a site-specific conversion factor calculated are out of scope for this change leaving them still generating UIG.
ScottishPower	Support	d - positive f - positive	<ul style="list-style-type: none"> • ScottishPower are in support of the Modification, it is looking to improve the Conversion Factor data quality across the Industry and improve the accuracy of measured energy and AQ. UIG is a significant exposure for all shippers and any improvements that contribute to the reduction of UIG is a positive. • Suggests that, on the basis this is a minor change to industry governance and processes, implementation as soon as possible.
SSE	Support	d - positive f - positive	<ul style="list-style-type: none"> • A sensible change to improve the accuracy of conversion factors by allowing the CDSP to amend them in the circumstances specified within the modification and it should contribute towards a reduction in UIG within a relatively short timescale. • Support the two-part implementation proposed (i.e. an enduring implementation linked to the DSC change proposal and related date, and a one-off update of meter points between 30 and 60 supply point systems business days after implementation). • Do not anticipate any specific costs related to this modification.

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

11 Panel Discussions

Discussion

Panel Members considered the representations made, noting that of the 7 representations received, 5 supported implementation and 2 were not in support.

It was noted that this is a Self-Governance Modification.

A Panel Member noted the need for the Legal Text to be corrected in relation 4.2.17 a – amendment from “provider” to “provided.” All Panel Members were happy that Cadent would update the Legal Text to reflect the correction without the need to return to the Modification Panel.

A Panel Member noted concerns raised by EDF Energy that related to the accuracy of AQ calculations and whether this should be considered as a new issue.

The Panel Member wished to note that there may be system issues related to this concern and this may have a potential impact on implementation.

A Panel Member asked whether it is an absolute requirement to apply a Standard Conversion Factor below 732,000 kWh.

The CDSP confirmed that the Gas (Calculation of Thermal Energy) Regulations provide a standard conversion factor below a certain AQ value – 732,000 kWh. In relation to the CDSP's response, Panel Members noted that this is an absolute requirement for Suppliers.

A Panel Member noted EDF's response relating to the identification of 177,000 erroneous calculations.

A Panel Member stated that this Modification would help remove a cause of UIG.

Some Panel Members asked whether it might be more appropriate to delay implementation until confirmation of the AQ issue and whether it impacts the Relevant Objectives of this Modification.

A Panel Member asked whether the Modification Panel should defer voting and send the Modification back to Workgroup, as they wished to understand the scale of the potential AQ issue and the impact this may have on the Relevant Objectives.

The CDSP stated that the Change Proposal is on hold until the outcome of the Modification Panel decision.

Panel Members noted that implementation of this Modification to the Uniform Network Code, could be sixteen days from the date of this meeting, although the systems solution is not scheduled to be released until June 2020. It is proposed that implementation would be aligned to implementation of the system solution.

It is anticipated that the implementation timetable allows time to address the AQ issue identified, ahead of June 2020.

Consideration of the Relevant Objectives

Members considered relevant objective f) Promotion of efficiency in the implementation and administration of the Code, agreeing that implementation would have a positive impact, noting that this Modification primarily relates to facilitating Supplier compliance with the Gas (Calculation of Thermal Energy) Regulations.

Determinations

Panel Members voted unanimously to implement Modification 0681S.

Panel Members voted with 13 votes in favour (out of a possible 13), to implement Modification 0681S.

12 Recommendations

Panel Determination

Panel Members agreed that Modification 0681S should be implemented.