

**UNC Workgroup 0819 Minutes
Establishing/Amending a Gas Vacant Site Process
10:30 Thursday 22 September 2022
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li	(VL)	Joint Office
Ben Mulcahy	(BM)	Northern Gas Networks
Claire Louise Roberts	(CLR)	ScottishPower
Conor Adams	(CA)	ScottishPower
David Mitchell	(DM)	SGN
David Reynolds	(DR)	Northern Gas Networks
Ellie Rogers	(ER)	Xoserve
Gurvinder Dosanjh	(GD)	Cadent
Joel Martin	(JM)	SGN
Kathryn Adeseye	(KA)	Xoserve
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	Total Energies Gas & Power
Michelle Brown	(MB)	Energy Assets
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Tracey Saunders	(TS)	Northern Gas Networks

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 March 2023.

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0819/220922>

1.0 Outline of Modification

Lee Greenwood (LG) introduced the Modification supported by a presentation.

LG explained the purpose of this Modification is to establish a process for Vacant sites. The reason for change is mainly due to the lack of process to amend AQ values for Vacant sites and that an AQ for a site can only be amended by obtaining meter readings, but this is difficult if there is no access to the vacant site.

LG noted this Modification is a direct result of the discussions held within *Modification 0778R – Gas Vacant Sites Process review*, where many solution options were discussed.

LG provided a review of the Solution and Recommended Steps and confirmed the aim of the Modification is to establish a new process for Shippers to follow to:

- Cease Settlement Performance Obligations, Commodity Costs, and Daily Gas Allocation.
- After 12 months; the Shipper will have the option to set the AQ to 1 through the AQ correction process (new correction code / eligible cause to be created) for Capacity relief.

Rebecca Hailes (RHa) clarified there were no initial representations received and that UNC Panel have noted one question.

LG provided a summary of the solution section of the Modification.

When Steve Mulinganie (SM) asked why it was focussed on Class 4 and enquired whether it was because potentially the CDSP could move sites from Class 2 and 3 into Class 4, LG explained that it was Class 4 due to the implementation of *Modification 0664VVS* <https://www.gasgovernance.co.uk/0664> - *Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4*, which was approved on xx and will move sites with low meter readings from Class 2 and 3 into Class 4.

LG provided an outline of the Solution proposed in the Modification and criteria of “vacant sites” and the meaning of “maintain vacant sites”.

When RHa asked if SMETs 2 were included, LG confirmed that SMETs 2 with an active flag would be included.

SM stated that the Business Rules need to be reviewed (to check the logic for and/or requirements) before Legal Text is requested. RHa asked LG to review the Business Rules and provide an amended Modification detailing how the solution should look and provide clarification of the scenarios, potentially with a flow chart and worked examples if possible.

SM stated there would be a need to consider the use of the AQ protection process and the need to carve out that scenario.

ER noted that in regard to the AQ correction point, the Modification has already got the two phase approach to do the AQ correction; first to reduce to 1 after 12 months and secondly to remove the label of Vacant site.

ER explained that the AQ correction to reduce to 1 would utilise a new eligible cause which does not exist yet, this will be created as part of the Modification solution.

Workgroup then discussed the AQ vacant status remaining while the AQ status is set to 1.

SM raised an issue regarding the use of the process setting the AQ status to 1 noting that at the same time the Shipper could choose to remove the vacant status at any point. If there is no tracker and if the Shipper is proactively taking the vacant status off and the AQ correction is set to 1, the vacant site status could be abused.

SM suggested the Business Rules may need to be re-considered so that Shipper could not remove the vacant site at will. ER suggested LG to put into the Modification the phrase “the reinstating of an AQ”.

Workgroup continued discussion on the AQ correction process and cases of vacant sites status. RHa suggested LG should consider presenting the Solution in a flow chart and provide examples for various scenarios.

Louise Hellyer (LH) suggested that if the Shipper decided not to do anything, it would just revert to the original values because that would be more accurate than 1, whereas if they choose to pick the value they thought would be more effective, then either way the reads and the AQ calculation in history should be unusable because it would not be reflective of the consumption of the site after it was made vacant.

LG concluded that the monitoring process should focus on the new AQ Correction code and report to the Performance Assurance Committee (PAC). ER confirmed that with Modification 0674V now being approved and Performance Assurance Reporting being managed by PAC, a new report would be created and would not require Legal Text.

Action 0901 (LG): Consider whether the Business Rules for the Entry Criteria need “and” or “or”.

Action 0902 (LG): For Exit Criteria point 1. “At the request of the Shipper, sub point a. Vacant status not maintained”; ensure wording and meaning are clear.

Action 0903 (LG): For Exit Criteria point 4. “AQ Correction has been completed”; needs further clarification with regards to the reason code used.

Action 0904 (LG): Create flow charts with worked examples to illustrate the Exit Criteria.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. What PAC monitoring should be in place for this Modification?

The Workgroup decided this would be discussed as the Workgroup progresses between now and January before this Modification back to Panel discussion.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference has been published alongside the Modification at www.gasgovernance.co.uk/0819.

3.0 Next Steps

RHa noted the next steps as being:

- LG to present the Solution in a Flow Chart with examples.
- LG to consider amendments required to the Modification based on Workgroup discussions.

4.0 Any Other Business

None

5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
Thursday 10:00 27 October 2022	5pm 18 September 2022	Microsoft Teams	Standard Agenda

Action Table (as at 22 September 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0901	22/09/22	1.0	Consider whether the Business Rules for the Entry Criteria need “and” or “or”.	LG	October 2022	Pending

Action Table (as at 22 September 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0902	22/09/22	1.0	For Exit Criteria point 1. "At the request of the Shipper, sub point a. Vacant status not maintained"; ensure wording and meaning are clear.	LG	October 2022	Pending
0903	22/09/22	1.0	For Exit Criteria point 4. "AQ Correction has been completed"; needs further clarification with regards to the reason code used.	LG	October 2022	Pending
0904	22/09/22	1.0	Create flow charts with worked examples to illustrate the Exit Criteria.	LG	October 2022	Pending