

**UNC Workgroup 0816S Minutes
Update to AQ Correction Processes
10:00 Thursday 27 October 2022
via Microsoft Teams**

Attendees		
Eric Fowler (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Vera Li (Secretary)	(VL)	Joint Office
Andy Clasper	(ACI)	Cadent Gas
Ashley Adam	(AA)	National Grid
Ben Mulcahy	(BM)	Northern Gas Networks
Claire Louise Robert	(CLR)	ScottishPower
Clare Manning	(CM)	E.ON Next
Daniel Wilkinson	(DW)	EDF Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Elena Dranceanu	(ED)	Gazprom Energy
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Correla on behalf of Xoserve
John Baldwin	(JB)	CNG Services Ltd
Kate Lancaster	(KL)	Xoserve
Kathryn Adeseye	(KA)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Lee Greenwood	(LG)	British Gas
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Nick King	(NK)	CNG Services
Nicky Kingham	(NKi)	Xoserve
Paul Bedford	(PB)	Opus Energy
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0816/271022>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 November 2022

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/dist/271022>

1.0 Introduction and Status Review

1.1. Approval of Minutes (25 August 2022)

The minutes from the meeting held on 25 August 2022 were approved.

1.2. Approval of Late Papers

EF advised the update report for outstanding Action 0208 was submitted late and Workgroup agreed to accept it.

1.3. Review of Outstanding Actions

Action 0108: E.ON Next (CM) to review Business Rules (BR) and update the Workgroup at the September meeting.

Update: Clare Manning (CM) confirmed there is no amendment on the Modification. There are suggestions on amending some Business Rules and would like to discuss with Workgroup today. **Carried Forward**

Action 0208: Correlá (FC) to provide a view of the AQ Corrections PAC Report for the September meeting.

Update: Report provided. Ellie Rogers (ER) provided an overview of the PARR Reports using the presentation published. **Closed**

2.0 Amended Modification

No Amended Modification.

3.0 Issues and Questions from Panel

3.1. Consider materiality relating to billing impacts and whether the Modification continues to meet the Self-Governance criteria

CM addressed the question from Panel whether the Modification meet the Self-Governance criteria by firstly providing an overview of the Modification to recapture the essence.

CM stated that these AQ Amendments are currently being requested, however, under the wrong reason code. The intention is that by introducing these new reason codes it will give Users a better way to request amendments and put some Business Rules in place for the specific reasons to use the new codes. CM also reiterated that there are concerns about the influx of AQ amendments and the impacts on billing.

CM noted that there are two new eligible clauses proposed. Some of the business justification might change and CM was seeking Workgroup comments on the mechanisms for validation of the reason codes and what a Shipper would have to prove to demonstrate it is not violating the Code.

CM then briefed on the proposed changes on the Business Rules:

BR2 a): As a mandatory requirement of submitting an [erroneous AQ based on read history] AQ correction, the User must submit Supporting Information highlighting the erroneous read(s) and date(s) within the SMP read history which is outside of the Registered User's ownership.

Guidance note: The erroneous read(s) highlighted within the Supporting Information will be preventing an accurate rolling AQ being calculated.

CM proposed, in terms of validation of Users submitting supporting information, it should be changed to the Suppliers' read for the site. If a reading has been rejected in the past for the site using the Last Resort process, that is an exception process and not the normal BAU process. CM suggested adding the Rejected Change Requirement as shows the Shipper has exhausted alternative means before raising the AQ amendment.

The second proposal on validation is to add a time limit so the reading can only to be submitted up to 12 months after a change of Supplier or Shipper which then aligns with the process. CM proposed that the AQ being corrected cannot be lower that the lowest AQ of the site historically or last accepted AQ prior to any change. Altogether this change on the Business Rules should mitigate issues, as a stronger validation process is being put in place.

EF asked the Workgroup to comment on the proposed amendment on Business Rules. No comments received, and EF suggested CM to make amendment and redraft on the Modification Business Rule 2 (a):

1. Time limit of 12 Months for the validation to go through and also validation on AQ cannot be corrected – no lower than any previously “Lowest AQ” or lower than the last accepted AQ prior to the previous read

When Tracey Saunders (TS) asked, CM confirmed that the validation will be carried out by the CDSP.

When asked Ellie Rogers (ER) advised that adding the AQ correction code in theory should not be huge, however, the extra validation processes will be more complicated and would incur extra costs, however, at the moment, Xoserve does not has any figures.

CM advised she will look into the validation around the reading not being lower than the previous lowest read, and not lower than the last read AQ. CM mentioned again that if a Shipper submits an erroneous lower AQ the subsequent read would not be accepted by UK Link, and therefore would fall into the PAC Performance management. CM anticipates that the combination of both is enough mitigate concerns and maintain the justification for Self-Governance.

The second reason code proposed is for changed operation and conversation had been had about what supporting evidence or validation may be available. CM suggested there could be a “disclaimer” when Users submit amendment requests to state that has been a change in the site operation and as Shipper attempts have been made to provide evidence of the changed operation. It was noted that this is different from reason code 3 as the justification is there is some to opening hours or manufacturing process rather than any change to the equipment on site.

There followed some discussions raised by Lee Greenwood (LG) as to whether this could make his Modification (0819) redundant to some degree, as Shippers might use the easy way to amend the AQ under 0816 instead of using the other code as his proposal on Vacant Sites.

Ben Mulgahy (BM) queried that as there is no physical change in equipment, just change in use and for instance, seasonal operation sites could be changing strategy over a period of time within year falling within the AQ review period could this ability to amend the AQ up and down create a loophole. It has been agreed that this Modification is the change of AQ on annual review, and these are occupied sites and not Vacant Sites and to avoid being used as loophole, CM might need to reconsider the change of use time limit, process decision etc.

The final element of the proposals is a Business Rule set to reject any AQ amendment when AQ has not changed. There followed some discussion on whether the AQ amendment sought should be validated to the exact number or whether a tolerance (5-10%) should be accepted on the “lowest” read. It was suggested that erroneous requests were typically an exact match however, ER would investigate whether setting a tolerance could be beneficial. This would be clarified in the business rules.

4.0 Development of Workgroup Report

EF confirmed the next steps to be:

- CM to continue reviewing Business Rules and submit Amended Modification to JO for preparation of Workgroup Report to be submitted to January 2023 Panel Meeting.

5.0 Next Steps

CM to Amended Modification to Joint Office and further discussion in November Meeting.

6.0 Any Other Business

None.

7.0 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 24 November 2022	5pm 15 November 2022	Microsoft Teams	Standard Agenda

Action Table (as at 27 October 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0801	25/08/22	2.1.1	E.On Next (CM) to review Business Rules (BR) and update on Modification for discussion in October meeting.	E.On Next	September 2022	Carried Forward
0802	25/08/22	2.1.1	Correlá (FC) to provide a view of the AQ Corrections PAC Report for the September meeting.	Correlá (FC)	September 2022	Closed