

**UNC Workgroup 0819 Minutes  
Establishing/Amending a Gas Vacant Site Process  
10:00 Thursday 23 March 2023  
via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Ben Mulcahy	(BM)	Northern Gas Networks
Charlotte Gilbert	(CG)	BU-UK
Clare Manning	(CM)	E.On Next
David Mitchell	(DM)	SGN
Hursley Moss	(HM)	Cornwall Insights
John R Harris	(JH)	Xoserve
Kathryn Adeseye	(KA)	Xoserve
Lee Greenwood	(LG)	British Gas
Mark Jones	(MJ)	SSE
Oorlagh Chapman	(OC)	Centrica
Steve Mulinganie	(SM)	SEFE Energy Ltd
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0819/230223>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 May 2023.

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/0819/230223>.

## 1.0 Introduction and Status Review

### 1.1. Approval of Minutes (23 February 2023)

The minutes from the meeting held on 23 February 2023 were approved.

### 1.2. Approval of Late Papers

Rebecca Hailes confirmed there are no late papers for Workgroup to consider.

### 1.3. Review of Outstanding Actions

**Action 0104:** Joint Office (RH) to raise awareness of this Modification to the Performance Assurance Committee (PAC) for them to consider what reporting they would like.

**Update from PAC:** At the Performance Assurance Committee (PAC) meeting CDSP confirmed that reporting requirements have been drafted and will be presented to PAC at the April 2023 meeting. **Closed**

## 2.0 Amended Modification

RH noted an amendment to the Modification, now reporting as v3.0 as of 27 February 2023.

Lee Greenwood (LG) confirmed he has updated the Solution section for Business Rule 5: Exit Criteria and advised the Modification is now stable.

LG noted that CDSP has raised some questions that will need to be captured in the Workgroup Report and confirmed this most recent version of the Modification has been forwarded to Cadent for Legal Drafting to commence.

Katherine Adeseye (KA) provided the following verbal update which includes an Alternative solution from SEFE Energy Limited:

- It was suggested by SEFE Energy Limited that the AQ of a vacant site could be reduced to 1 by submitting static reads using a new vacant site read reason.
- The CDSP Subject Matter Experts (SMEs) have advised (at a very high level) that the system and process impacts would be more complex than the solution option of Modification 0819 which has been fed back to SEFE Energy Limited.

Steve Mulinganie (SM) provided his confirmation that he is satisfied with the response he received from CDSP and that SEFE Energy Limited no longer want to pursue this as an alternative solution option.

### **Business Rules Review:**

Business Rule 4 – Capacity Relief:

*Where a site has been in a Vacant status for 12 months or more with the same Supplier and Shipper the Shipper will have the option to request a change to the Annual Quantity (AQ) of the site to set the AQ to 1 via a new Vacant site “eligible cause” as per TPD G 2.3.21 to receive Capacity relief.*

KA explained, part of the new Vacant Site process that allows a Shipper User to reduce the AQ of a site that has been vacant for 12 months or more, is to reduce the Supply Meter Point (SMP) AQ to 1 to receive capacity relief.

The CDSP SMEs have highlighted to the proposer, that if a Shipper User wants to reduce an SMP AQ to 1 but winter consumption is applied to that SMP, the AQ correction would be rejected. There were two routes to resolve this:

- 1) To raise a winter consumption adjustment to reduce the winter consumption value down to 0 ahead of raising the AQ correction. This is the existing process now for Shipper Users.
- 2) Create an opt-out in the vacant site AQ reason code validation rules which would ignore winter consumption and allow a reduction of AQ down to 1 to go through.

When asked, Workgroup agreed to go with the existing process in Option 1, this is because Option 2 would mean that updates to winter consumption data on the CDSP systems would not always occur when required, leading to anticipated downstream impacts on existing winter consumption processes.

LG agreed to take an action to include a reference to the winter consumption adjustment process in his guidance documentation.

**New Action 0301:** *Business Rule 4 – Capacity Relief:* LG to include reference to the winter consumption adjustment process in the ‘Amending a Gas Vacant Site Process Guidance Document’.

Business Rule 7 b) – Vacant status removal - Capacity Relief:

*b) In the absence of the Registered User amending the AQ as per the above timeline, the CDSP will reinstate the pre-Vacant Rolling and Formula Year AQ (FYAQ). The Vacant status will be removed by the CDSP in line with the pre-Vacant Rolling and FYAQ becoming effective. For the avoidance of doubt, where the CDSP reinstate the pre-Vacant Rolling and FYAQ between the months of January – March, the reinstated value will be utilised to set the FYAQ for the next 12 months commencing in April.*

KA advised the original view of Workgroup was that when the CDSP re-instate the pre-vacant rolling AQ and Formula Year Annual Quantity (FYAQ), there should not be a backstop date. This would mean that once the Shipper User submits a new read for a previously vacant SMP, the rolling AQ would be immediately pulled back down. The AQ would, therefore, be closer to the vacant AQ value than the re-instated pre-vacant value.

### What is the impact of this?

- a) Reduced commodity charges would re-apply when the rolling AQ significantly reduces. Therefore, despite the commodity stop flag being removed when the vacant status is removed, the SMP would still have an element of commodity relief even though the SMP is no longer vacant.
- b) Reduction in capacity charges would NOT immediately apply as it is based on the FYAQ. However, if the initial post-vacant read/s were submitted just before the 01 December AQ snapshot, the rolling AQ captured during that snapshot would be more reflective of the vacant AQ, and therefore when the FYAQ is set on 01 April the following year, it will be considerably lower than the re-instated values, meaning that an element of capacity relief would reapply despite the SMP not being vacant.

In light of the above, Workgroup was advised that reinstating the pre-vacant AQ values without a backstop would mean that any reads submitted after the fact, could immediately reduce the AQ again. Workgroup were asked if they still see a value in the CDSP re-instating pre-vacant values without a backstop.

Workgroup had the view that the re-instated pre-vacant AQ values without a backstop would negate the impact of reinstating the pre-vacant AQ values and decided to include the backstop date mechanism when the CDSP re-instate the pre-vacant AQ.

LG agreed to reference the backstop in Business Rule 7 b).

**New Action 0302:** Proposer (LG) to reference backstop in Business Rule 7 b).

### Legal Text

Andy Clasper (AC) confirmed he has provided the first drafting of the Legal Text with questions which he is discussing with the Proposer next week. An update will be provided to Workgroup next month (April 2023).

AC noted that if the backstop date is in the system solution, it needs to be documented in the Modification.

When asked, John Harris (JH) explained that the backstop date is set based on the new AQ date which is usually the first of the following month when the exit criteria are applied. When the CDSP reinstate the pre-vacant values, it would follow the same logic.

LG agreed to provide an example and maybe include it in the Modification.

AC mentioned that Modification 0816S – *Update to AQ Correction Processes*, is adding in extra reason codes and this Modification will also add in extra reason codes, this will require careful consideration for when the Code is updated as both Modifications affect the same area of Legal Text (likely to be Section G Paragraph 2.3). He added he would not want to implement 0819 until the Legal Text for 0816S has been implemented.

RH advised this is not a legitimate reason to delay the development of a Modification and noted the Consent to Modify process. The timing will have to be managed carefully.

When Workgroup considered the interaction of this Modification with Modification 0816S, they suggested it is raised at DSC Change Management Committee to see if there are any impacts or consequences in terms of system implementation.

**New Action 0303:** CDSP (KA) to arrange for an agenda item to be added to the next DSC Change Management Committee meeting to raise awareness of Modification 0819 and its interaction with Modification 0816S to see if there are any impacts or consequences in terms of system implementation (as both Modifications affect the same area of Legal Text - likely to be Section G Paragraph 2.3).

### 3.0 Development of the Workgroup Report

The Workgroup Report development will be finalised at the next meeting in April 2023.

### 4.0 Next Steps

RH noted the next steps:

- Review the Final Legal Text
- Review finalised Modification
- Review finalised Guidance Document
- Finalise the Workgroup Report

### 5.0 Any Other Business

None.

### 6.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://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 April 2023	5 pm 18 April 2023	Microsoft Teams	<ul style="list-style-type: none"> <li>• Review the Final Legal Text</li> <li>• Review finalised Modification</li> <li>• Review finalised Guidance Document</li> <li>• Finalise the Workgroup Report</li> </ul>

**Action Table (as of 23 March 2023)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
0104	31/01/23	2.0	Joint Office (RH) to raise awareness of this Modification to the Performance Assurance Committee (PAC) for them to consider what reporting they would like	Joint Office (RH)	February 2023	Carried Forward
0301	23/03/23	2.0	<i>Business Rule 4 – Capacity Relief:</i> Proposer (LG) to include reference to the winter consumption adjustment process in the	Proposer (LG)	April 2023	Pending

**Action Table (as of 23 March 2023)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
			'Amending a Gas Vacant Site Process Guidance Document'.			
<b>0302</b>	23/03/23	2.0	<i>Business Rule 7 b) – Vacant status removal - Capacity Relief:</i> Proposer (LG) to reference backstop in Business Rule 7 b)	Proposer (LG)	April 2023	<b>Pending</b>
<b>0303</b>	23/03/23	2.0	CDSP (KA) to arrange for an agenda item to be added to the next DSC Change Management Committee meeting to raise awareness of Modification 0819 and its interaction with Modification 0816S to see if there are any impacts or consequences in terms of system implementation (as both Modifications affect the same area of Legal Text - <u>likely to be Section G Paragraph 2.3</u> ).	CDSP (KA)	April 2023	<b>Pending</b>