

## UNC Workgroup 0831/0831A Minutes

### Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method

### Allocation of LDZ UIG to Shippers (Class 3 and 4) Based on a Straight Throughput Method

Thursday 23 March 2023

via Microsoft Teams

Attendees		
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
Dan Fittock	(DF)	Corona Energy
Dan Wilkinson	(DW)	EDF Energy
David Mitchell	(DMi)	SGN
Dan Stenson	(DS)	Brook Green Trading
Deborah Sherlock	(DSh)	CDSP
Fiona Cottam	(FC)	CDSP
Gareth Evans	(GE)	Waters Wye Associates
Harry Hailwood	(HH)	Brook Green Trading
Hursley Moss	(HM)	Cornwall Insight
Kathryn Adeseye	(KA)	CDSP
Kevin Clark	(KC)	Utilita
Mark Jones	(MJ)	SSE
Paul Orsler	(PO)	CDSP
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks
Apologies		
David Addison	(DA)	CDSP
Ellie Rogers	(ER)	CDSP

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0831>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 September 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/0831/230323>

## **1. Introduction and Status Review**

Rebecca Hailes (RH) welcomed everyone to the meeting and confirmed that UNC Panel considered a 6-month assessment period for both Modification 0831 and 0831A reporting back to September 2023, to take into account the aim to update the table for the New Gas Year October 2024.

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

The minutes from the previous Workgroup were approved.

### **1.2. Approval of late papers**

No late papers were recorded.

### **1.3. Review Outstanding Actions**

No actions are outstanding.

## **2. Alternative Modification Assessment**

### **2.1. Outline**

Dan Stenson (DS) provided an overview of the difference between his alternative Modification and the original Modification 0831, explaining that it seeks to update the UIG allocation table with a set of permanent and common allocation factors so that UIG is allocated to all NDM customers equally on a throughput basis. In addition, reference to the role of the AUGE and cost of UIG from Product Classes 1 and 2 will be removed.

When Gareth Evans (GE) advised that the system has the capability of processing 32 million readings as part of Nexus, he asked whether Class 2 could be included in this alternative Modification. Katherine Adeseye (KA) advised that the question mark over Class 2 readings is the maximum volumes outlined in the UK Link business document which says the system is designed to cope with 50,000 class 2, if volumes are above that amount, the way the system has been designed, it will not allow that.

KA added that if this Modification includes the removal of UIG allocation to Class 2, customers may want to move into Class 2 which may have an impact on systems. GE noted this Modification does not mandate anyone to do anything.

DS confirmed it would not be practical to include Class 2 in his alternative Modification and he is keeping his Modification as simple as possible.

### **Next steps**

DS concluded by confirming this alternative Modification will proceed under the same timetable as Modification 0831 and report to Panel in September 2023. He will write some Business Rules for 0831A for review by Workgroup at the next meeting.

### **2.2. Issues and Questions from Panel**

The following Panel Questions will be considered at the April 2023 Workgroup:

- Consider AUGE contractual interactions
- Consider effects of market flux (parties exiting etc.) and any need for reconciliation
- Consider the effect on IGT UNC of the proposed Legal Text drafting
- Consider any impact/interaction on Licences
- Consider whether this Modification would reduce the amount of information available from AUGE which currently provides the industry with an opportunity to drive actions to reduce UIG

### **Panel Questions 0831A**

- Consider the inclusion/treatment of Product Class 3 daily read sites.
- Consider the impact of excluding daily metered sites from UIG.

### **2.3. Terms of Reference**

The Terms of Reference have been updated to incorporate the alternative Modification 0831A and the Panel questions associated with it.

Please navigate here: <https://www.gasgovernance.co.uk/0831> to view the Terms of Reference.

### **3. 0831 Amended Modification**

RH noted the Modification has been amended which is now v2.0 dated 15 March 2023 and invited the Proposer, Mark Jones (MJ) to provide Workgroup with an overview of the amendments:

#### **Section 5 Solution**

MJ advised that Business Rules 1, 2 and 3 have been updated to include:

Comments from CDSP in relation to the AUGE contract and if the contract is broken outside any of the documented breakpoints, if this was the case, the costs for the full year would apply.

The UIG Table will remain in the UNC and all LDZ System Exit Points will belong to the same category with an allocation factor of one being applied to all.

The UNC Committee will decide by simple majority as to whether any annual AUGE process that is underway at the time of implementation will continue as normal.

RH clarified that the AUGE contract is a 12-month contract, not a rolling 12 months. The current 3-year contract ends at the end of May 2023 and the first of the single-year extension options will start in June 2023.

GE sought clarification that even if the AUGE provides a UIG Table that is not used, breaking the contract is not the driver for this Modification, the Modification will not be put on hold to wait for a breakpoint in the contract. He added the focus should be a straight throughput of allocation, the contract with AUGE is a consequential impact.

MJ agreed to provide clarification around the new wording in Business Rule 2 (which was provided by CDSP).

#### **Business Rule 3**

When Deborah Sherlock (DSh) put the scenario that if the AUGE contract is terminated, would the AUGE still be expected to look at other pots of work? MJ confirmed that would be the case and that he may need to include in the UNCC that they make a recommendation as to what is done with the AUGE in terms of any work remaining.

Workgroup considered if the UNCC decision and what happens with the AUGE needs to be included as part of the Legal Text, and it was agreed that whereas the contract is between the AUGE and CDSP, the UNCC scope and its functions are covered in Code.

MJ agreed to consider the comments made and will update the Modification accordingly.

### **4. Development of Workgroup Report**

Development of the Workgroup Report was deferred pending v3.0 of Modification 0831.

## 5. Next Steps

RH confirmed the following:

- Revisit the Business Rules for 0831
- Review new Business Rules for 0831A
- Modification 0831 Proposer to submit an amended Modification (which will be v3.0)
- Modification 0831A Proposer to submit an amended Modification (which will be v2.0)
- Consider an Update on the Rough Order of Magnitude
- Consider Update on Legal Text
- Consider Panel Questions for 0831 and those for 0831A
- Develop the Workgroup Report 0831/A (combined report)

## 6. Any Other Business

None.

## 7. 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	Workgroup Programme
10:00 Thursday 03 May 2023	5 pm 24 April 2023	Microsoft Teams	<ul style="list-style-type: none"> <li>• Revisit the Business Rules for 0831</li> <li>• Review new Business Rules for 0831A</li> <li>• Modification 0831 Proposer to submit an amended Modification (which will be v3.0)</li> <li>• Modification 0831A Proposer to submit an amended Modification (which will be v2.0)</li> <li>• Consider an Update on the Rough Order of Magnitude</li> <li>• Consider Update on Legal Text</li> <li>• Consider Panel Questions for 0831 and those for 0831A</li> <li>• Develop the Workgroup Report 0831/A (combined report)</li> </ul>

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

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No outstanding actions					