

UNC Distribution Workgroup Minutes

Thursday 26 January 2017

at Consort House, 6 Homer Road, Solihull B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andrew Margan*	(AM)	British Gas
Angela Love*	(AL)	ScottishPower
Carl Whitehouse*	(CWa)	first utility
Chris Warner	(CW)	National Grid Gas Distribution
Colette Baldwin	(CB)	E.ON Energy
David Byrne	(DB)	National Grid Gas Distribution
Gavin Anderson*	(GA)	EDF Energy
Hilary Chapman	(HC)	Scotia Gas Networks
John Burke	(JB)	National Grid Gas Distribution
Jon Dixon*	(JD)	Ofgem
John Welch	(JW)	npower
Kathryn Turner*	(KT)	Good Energy
Kishan Nundloll*	(KN)	ES Pipelines
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Rachel Hinsley	(RH)	Xoserve
Rebecca Hailes	(RHa)	Joint Office
Richard Pomroy*	(RP)	Wales & West Utilities
Sabrina Salazar	(SS)	National Grid Gas Distribution
Shanna Key	(SK)	Northern Gas Networks
Steve Mulinganie	(SM)	Gazprom
Steven Britton*	(SB)	Cornwall Energy

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/dist/260117>

1. Introduction and Status Review

BF welcomed all to the meeting and introduced Rebecca Hailes, the new Joint Office Workgroup Manager, who will be initially focussing on DSC activities.

1.1. Approval of Minutes (22 December 2016)

The minutes of the previous meeting were approved.

1.2. Modification(s) with Ofgem

BF advised that there is only one modification currently awaiting an Ofgem decision, namely '0596 – Implementing CGR3 decisions on Significant Code Reviews and self-governance'.

JD then advised that he does not have an update on this modification at this time.

1.3. Pre-Modification discussion

None.

2. Workgroups

2.1. 0570 – Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum

(Report to Panel 16 February 2017)

<http://www.gasgovernance.co.uk/0570>

2.2. 0594R – Meter Reading Submission for Advance & Smart Metering

(Report to Panel on 20 April 2017)

<http://www.gasgovernance.co.uk/0594>

2.3. 0606S – National Grid Gas plc and National Grid Gas Distribution Limited transitional invoicing arrangement post Project Nexus implementation

(Report to Panel on 16 March 2017)

<http://www.gasgovernance.co.uk/0606>

3. Project Nexus Requirements

3.1. RAASP

Discussions centred around the fact that, whilst a date for RAASP has been hardcoded into the UNC, it is clear to the industry that this is no longer a viable date and therefore additional clarity around when RAASP provisions would actually be delivered would be welcomed.

Responding, RH quoted Xoserve's previous statement relating to this matter, as follows:

"RAASP remains unlikely to be delivered any earlier than 12 months following Project Nexus Implementation Date (PNID)".

Once again, when asked whether or not there would come a point (date) in time when the programme might consider RAASP undeliverable, Workgroup participants felt unable to confirm one way or another as to when they would be in a position to undertake such a discussion / decision. When concerns were also voiced around whether or not the proposals are consistent with the original intent of the modification, allied to an apparent lack of transparency around the actual delivery aspects, RH explained that the 'core' Project Nexus functionality remains 'on track' for an 01 June 2017 delivery, with RAASP functionality to follow at least 12 months later with the intervening period supported by a workaround facility.

Some parties strongly believe that the RAASP delivery date needs to be amended on the grounds that it is clearly NOT achievable and is therefore an erroneous date, especially when there are potential impacts on other contractual arrangements involved. SM was concerned that parties were setting up systems on the understanding the functionality would be available sooner rather than later.

When asked, CW confirmed that in his opinion this matter does not fall under the 'Project Nexus sweep up' modification area as those modifications were about transition.

When asked whether or not National Grid Gas Distribution would consider raising a new UNC modification in order to alleviate industry concerns, CW agreed to liaise with Xoserve to assess the viability and timing aspects, although no guarantees on when such a modification could or would be raised, can be given at this time. Whilst BF indicated that he believes that the most important consideration relates to correcting the date whether or not it is to 'lock it in' to 12 months after the Project Nexus Implementation Date (PNID) or not. CB suggested that any monitoring

aspects (i.e. what and when etc.) would need to be considered by the industry as a whole. Some parties questioned whether or not there would be any true value in revisiting the previous RAASP business case.

When CW suggested that the crux of the matter might hinge on Xoserve's ability to deliver a RAASP solution within 12 months post PNID, SM advised that should this be the case then he would be more than happy to raise a UNC modification anyway to get industry engagement on the issue up and running asap. RH highlighted that Xoserve has previously indicated that they are unable to deliver a (RAASP) solution for the proposed 01 October 2017 date and that as they are NOT a Code signatory they are unable to raise a formal UNC modification.

New Action 0101: Reference RAASP Requirements - NGGDL (CW) and Xoserve (RH) to assess the viability and timing aspects of a potential UNC Modification to address the RAASP delivery date issues, including how best to correct the date, and whether or not it is preferable to 'lock it in' to 12 months after the Project Nexus Implementation Date (PNID) or not.

It was agreed to reconsider the matter at the 23 February 2017 Distribution Workgroup meeting.

3.2 Project Nexus Delay Impacts on AQ

JW provided a brief update explaining that whilst npower have undertaken some investigations, they had not been able to truly bottom out the issues. Furthermore, in recognising other industry delivery (testing) considerations etc, they have concluded that it might be prudent to put a hold on progressing the matter at this time and look to revisit the topic post PNID. In the meantime, npower will continue to monitor the situation.

When asked, JW agreed that the standing agenda item could now be removed from future agendas.

4. Issues

None.

5. Review of Outstanding Actions

DX1101: DA to seek views from the programme on a realistic delivery of RAASP, is it still feasible within a reasonable timescale.

Update: See item 3.1 above. **Closed**

DX1102: *Use of weighted SOQ rather than actual SOQ - Issue arising from Market Trials* - DA to provide an interpretation paper to aid understanding, for the next DWG meeting (22 December 2016).

Update: RH explained that this matter is currently being discussed as part of the Market Trials work. **Carried Forward**

DX1103: *Priority ~~Services Register~~ Sites List Updating* - Transporters to provide to Shippers details of any sites they have become aware of and believe should be registered on the PSR; Shippers to review their portfolios and update the PSR as soon as possible.

Update: HC explained that various discussions had taken place relating to this matter between Shippers, Xoserve and Transporters with the conclusion that it would be prudent to provide a further update at some point in the future. **Closed**

6. Any Other Business

6.1 Gazprom DM Customer Concerns Relating to the Ratchet Regime

SM explained that one of Gazprom's larger DM customers (a University) have voiced concerns around aspects of the ratchet regime and as a consequence,

Gazprom would be looking to raise a UNC modification looking at ratchets in the DM mandatory market. However, in order for Gazprom to get a 'feel' for the scale of the problem he would like to ask for some analysis around aggregated SOQ v's actual SOQ positions over a winter period for mandatory DM sites. His initial thinking is that sourcing such evidence should be a relatively simple task as the information already exists in one form or another. It was suggested that perhaps data at a Distribution Network level would suffice.

SM suggested that perhaps a review of ratchets is needed regardless of any forthcoming decision on UNC Modification 0571 0571A. When SM also suggested that the issue of 'sterilised capacity' could also be considered, HC reminded those present that the level of nominations sit with Shippers anyway.

RH explained that whilst she would be happy to consider providing supporting information for analysis purposes, it may not be available in the short term as this would be heavily dependant upon their (Xoserve's) commitment to providing other industry reports for Project Nexus and Performance Assurance Committee purposes.

BF suggested, and parties agreed, that it might be better to raise a Panel Request in order to stimulate review around this subject matter. It was noted that this would also enable a more targeted approach to the gathering and provision of any supporting information.

When asked, SM confirmed that the focus is on parties that are forced into utilising the regime rather than the DM Elective (DME) arena.

7. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Distribution Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
10:30 Friday 03 February 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Specific PNID Modification Agenda items (0608S, 0609S & 0610S) • <i>Other – to be confirmed</i>
10:30 Monday 20 February 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Specific PNID Modification Agenda items (0608S, 0609S & 0610S) • <i>Other – to be confirmed</i>
10:30 Thursday 23 February 2017	Elaxon, 350 Euston Road, London NW1 3AW	<ul style="list-style-type: none"> • Standard Agenda items • <i>Other – to be confirmed</i>
10:30 Friday 10 March 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Specific PNID Modification Agenda items (0608S, 0609S & 0610S) • <i>Other – to be confirmed</i>
10:30 Thursday 23 March 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Standard Agenda items • <i>Other – to be confirmed</i>

Action Table (26 January 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DX1101	24/11/16	5.0	DA to seek views from the programme on a realistic delivery of RAASP, is it still feasible within a reasonable timescale.	Xoserve (DA)	Update provided. Closed
DX1102	24/11/16	6.3	<i>Use of weighted SOQ rather than actual SOQ - Issue arising from Market Trials</i> - DA to provide an interpretation paper to aid understanding, for the next DWG meeting (22 December 2016).	Xoserve (DA)	Carried Forward
DX1103 <i>amended at 22/12/16 meeting</i>	24/11/16	6.4	<i>Priority Services Register Sites List Updating</i> - Transporters to provide to Shippers details of any sites they have become aware of and believe should be registered on the PSR; Shippers to review their portfolios and update the PSR as soon as possible.	Transporters and Shippers in co-operation	Update provided. Closed
DX0101	26/01/17	3.1	<i>Reference RAASP Requirements</i> - NGGDL (CW) and Xoserve (RH) to assess the viability and timing aspects of a potential UNC Modification to address the RAASP delivery date issues, including how best to correct the date, and whether or not it is preferable to 'lock it in' to 12 months after the Project Nexus Implementation Date (PNID) or not.	NGGDL (CW) and Xoserve (RH)	Pending