

Joint Office of Gas Transporters

October 2019 NEWSLETTER

Welcome to the Joint Office of Gas Transporters Newsletter, we hope you find this a useful addition to your inbox. It is issued on a monthly basis and is intended to provide an overview of what is happening across the Uniform Network Code (UNC) governance arena. In this Newsletter, we have provided an overview of progress across everything we do, please refer to the Table of Contents below.

At A Glance....

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Meet the Joint Office of Gas Transporters Team.

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Implementation Dates		
UNC Ref	Title	Date
0651	Changes to the Retrospective Data Update provisions	to be determined
0681S	Improvements to the quality of the Conversion Factor values held on the Supply Point Register	to be determined
0685	Amendment of the UNC term 'Gas Deficit Warning' to 'Gas Balancing Notification'	01 October 2019

Modifications for reconsideration at September 2019 Panel	
<p>0700 – (Urgent) – Enabling large scale utilisation of Class 3 www.gasgovernance.co.uk/0700</p>	<ul style="list-style-type: none"> ▪ Panel considered if there were any further issues in relation to this Modification due to be implemented on 28 September 2019. ▪ Distribution Workgroup to review the Modification and associated Legal Text at 26 September 2019 meeting. ▪ Xoserve to provide an update on actual Class 3 submissions.

New Modifications discussed at September 2019 Panel	
<p>0702 – Introducing 'Research Body' as a new User type to the Data Permissions Matrix and UNC TPD Section V5 www.gasgovernance.co.uk/0702</p>	<ul style="list-style-type: none"> ▪ This Modification will follow self-governance procedures. ▪ This Modification will be considered within the Distribution workgroup on 26 September 2019. ▪ Initial representations for consideration at Workgroup are requested no later than 10 October 2019. ▪ Workgroup report to be presented by 16 January 2020 Modification Panel.
<p>0697 – Alignment of the UNC TPD Section V 5 and the Data Permissions Matrix www.gasgovernance.co.uk/0697</p>	<ul style="list-style-type: none"> ▪ This Modification will follow self-governance procedures. ▪ This Modification will be considered within the Distribution workgroup on 26 September 2019. ▪ Initial representations for consideration at Workgroup are requested no later than 10 October 2019. ▪ Workgroup report to be presented by 19 March 2020 Modification Panel.

Existing Modifications for Reconsideration discussed at September 2019 Panel	
None	

Workgroup Reports discussed at September 2019 Panel

<p>0672 – Target, Measure and Reporting Product Class 4 Read Performance www.gasgovernance.co.uk/0672</p>	<ul style="list-style-type: none"> ▪ Panel determined that this Modification should be returned to Workgroup for further assessment. ▪ Next meeting is 23 September 2019. ▪ Legal text request was revoked until Modification is further developed. ▪ A Report is to be presented by 19 December 2019 Modification Panel.
<p>0695S - Obligations on Shippers to pass Transporter compensation payments on to consumers, via Suppliers www.gasgovernance.co.uk/0695S</p>	<ul style="list-style-type: none"> ▪ Issued to Consultation which closes on 10 October 2019. ▪ Panel requested Legal Text. ▪ The Final Modification Report will be presented to the 17 October 2019 Modification Panel (at short notice).
<p>Variation Requests discussed at September 2019 Panel</p>	
<p>None</p>	
<p>Final Modification Reports discussed at September 2019 Panel</p>	
<p>0680S – UNC Changes as a Consequence of ‘no deal’ United Kingdom Exit from the European Union http://www.gasgovernance.co.uk/0680</p>	<ul style="list-style-type: none"> ▪ Deferred for further consideration to 17 October 2019 Panel. ▪ Potential extraordinary Panel to be scheduled for 01 November 2019, if needed to consider any variation.
<p>0687 – Creation of new charge to recover Last Resort Supply Payments http://www.gasgovernance.co.uk/0687</p>	<ul style="list-style-type: none"> ▪ No new issues were identified. ▪ Panel recommended 0687 was suitable for implementation by unanimous vote (13 out of 13). ▪ Awaiting Ofgem decision.
<p>0696 - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NEXAs http://www.gasgovernance.co.uk/0696</p>	<ul style="list-style-type: none"> ▪ No new issues were identified. ▪ Panel recommended 0696 was suitable for implementation by majority vote (7 out of 13). ▪ Awaiting Ofgem decision.

<p>Distribution Workgroup Headlines</p>	<p>www.gasgovernance.co.uk/dist</p>
<p>At the meeting on 26 September 2019 the following were discussed/progressed:</p> <ul style="list-style-type: none"> • Pre-Modifications – Two new potential modifications were introduced: <ul style="list-style-type: none"> SGN advised that it would be raising a modification proposal to rationalise & consolidate transporter theft of gas reporting obligations. This proposal has now been raised: 0704 - Review of Transporter Theft Reporting NGN advised that it would be raising a modification proposal to review, and revise sections of the UNC impacted by the inclusion of legal text to support the introduction of the Faster Switching Programme and the Central Switching System • 0692S - Automatic updates to Meter Read Frequency: <p>This proposal is now in the final stage of development with all but a few minor amendments to be made to the business rules to clarify the logic that would be used to define the population of meters points captured within the proposal’s scope. The expectation remains that the Workgroup Report, along with legal text, can be finalised in time for November Panel.</p> • 0694R - Agenda CDSP provision of Class 1 Read service: <p>WWU provided its first draft of a Modification Proposal that would see a shift in responsibility for</p> 	

the provision of Class 1 meter readings from the relevant transporter to common service provision by the CDSP. The expectation is that the draft proposal will return to the October Workgroup before being raised a modification proposal, possibly at November Panel

- **0697S** – *Alignment of the UNC TPD Section V5 and the Data Permissions Matrix*

This was the first meeting of this Workgroup. The purpose of the proposal is to align the data release permissions in the UNC with the data available to user types, as set out in the CDSP-governed Data Permissions Matrix, (DPM). At present two user types have data access rights specified in the DPM and these need to be clarified in the UNC. Also, four user types described in the UNC have not yet had their levels of data access set out in the DPM. If implemented, the proposal would resolve these inconsistencies.

- **0699** - *Incentivise Key Areas of Performance using additional UIG Charges:*

Discussion of the proposal focused on the appropriateness of determining incentive charges using UIG and how gathered revenue would be redistributed. There are still some relatively fundamental issues associated with this proposal and significant development work is required before further progress can be made.

- **0701** – *Aligning Capacity booking under the UNC and arrangements set out in the relevant NExAs*

The proposal is in the process of being amended, with a revised version due to be available for the October WG. Discussion at this Workgroup focused on an overview of the potential amendments, which included:

- Industry visibility of NExA SOQ values,
- A method for determining SOQ for SHQ only NExAs,
- SOQ triggers for the transporters using AQ & load factor,
- Housekeeping changes due to Panel deciding 0701 should not be an alternative to 0696

- **0702S** – *Introducing ‘Research Body’ as a new User type to the Data Permissions Matrix and UNC TPD Section V5*

In a similar vein to 0697, this proposal seeks to define and establish a data user type, (“Research Body”), in both the UNC and the DPM. Discussion at the meeting centred on how a research body could be defined generically, and in terms of individual applicants, how to determine how much data they should have access to and for how long that access would be available.

Other Matters Discussed:

- **Review of Modification 0700 (Urgent) Enabling large scale utilisation of Class 3 & associated legal text**

This agenda item was requested by September Panel: for Workgroup to review the implementation of Modification 700, to establish whether the proposal was having the desired effect and had not given rise to any unintended consequences. Given the proposal has only just been implemented, it was agreed that this item would become a standing agenda item on the Distribution WG and examined on a monthly basis to see if any trends associated with implementation become evident.

- **Changes to the UNCVR to reflect suspension of the Inner Tolerance on only Smaller Supply Points Class 3 Supply Meters.**

A revised version of the UNCVR was presented to the group cover the suspension of the inner tolerance for Class 3 supply meter points in EUC01.

Other Workgroups

- **0646R** - *Review of the Offtake Arrangements Document and 0683S - *Offtake Arrangements Document (OAD) Review Updates – Phase 1:**

The Workgroup considered the Legal Text for Modification 0683S and provided comments. The Workgroup agreed that an extension to April 2020 is needed to conclude the assessment.

- **Joint Theft Reporting Group (UNC & SPAA), including 0677R** - the seventh meeting took place on 27 September 2019.

The Workgroup agreed that the issues log and all actions for should be closed. The Joint Workgroup Report was concluded, with the aim to present the combined Workgroup Report to the November SPAA Executive and UNC Panels.

Transmission Workgroup Headlines www.gasgovernance.co.uk/tx

At the meeting on 03 October 2019 the following were discussed/progressed:

- **Pre-Modifications** – NTS presented a draft modification proposal designed to resolve an error in the legal drafting introduced by Implemented Proposal 0698S.

As part of the new methodology for determining the contribution of LNG to Expected Available Supply, the minimum inventory should be determined by **adding** an assumed level of boil off gas from the lowest stock level that has been observed at each LNG Importation Facility within the last three Gas Years. Unfortunately, the legal text stated that the boil-off should be **subtracted**, which would introduce significant inconsistencies into the methodology. It is suggested that the proposal to amend this anomaly is subject to fast track self-governance.

- **0662 - Revenue Recovery at Combined ASEPs – development deferred awaiting the outcome of Modification 0678 and its alternatives.**
- **0688 - Recovery of Shipper Losses incurred in Supplier of Last Resort events** – this proposal has been withdrawn by the proposer.

- **Capacity Access Review**

NTS presented a draft Review Request to Workgroup for its consideration. The purpose of the review is:

- to examine the principles and establish long-term strategy for the NTS capacity access regime
- to ensure the regime is appropriate for commercial behaviours experienced today,
- simplified and adaptable whilst being consistent with relevant obligations.

The objective is to make recommendations for change and addressing short-term problems in accordance with the long-term ambition.

National Grid were expecting to raise the Request formally in time for the 17 October UNC Panel.

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCMF) www.gasgovernance.co.uk/dncmf

- The DNs provided presentations to provide an overview of the revenue reports. *Copies of the full reports are available at: <http://www.gasgovernance.co.uk/dnrevenueports>.*
- RIIO-GD2 – an update will be provided at the January 2020 meeting.
- The next meeting is on the 13 January 2020.

NTS Charging Methodology Forum (NTSCMF) www.gasgovernance.co.uk/ntscmf

At the meeting on 01 October 2019 the following was discussed/progressed:

- **Pre-Modifications** - No draft modifications presented for discussion.
- **Ofgem update** – There was no Ofgem update this month.
- **Forecasted Contracted Capacity (FCC) Update**

No update this month. A review of the Issues Log will be undertaken at the October meeting will focus on this.

- **Long Term Revenue Forecasts:** National Grid to provide an update at the December meeting.
- **0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS:**

Workgroup agreed the proposed changes to the Request which were in relation to clarification of

the purpose and scope and updates to the terms of reference - topics for discussion and Composition of the Workgroup. National Grid intend to submit a Request amendment. Workgroup also considered some suggested principles for the review which will be taken into account in the development of any future proposals. National Grid will aim to provide a potential short-haul product for discussion at either the November or December meeting.

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

At the meeting on 23 September 2019 the following was discussed/progressed:

- **Pre-Modifications** - No draft modifications were presented for discussion.
- **0664** - *Transfer of Sites with Low Read Submission Performance from Class 2 & 3 into Class 4.* The Business Rules have been reviewed. At the next meeting it is anticipated that the Business Rules can be finalised, and the Legal Text can be considered in November.
- **0672** - *Incentivise Product Class 4 Read Performance.* An amended Modification was discussed. At the next meeting it is anticipated that amended Business Rules will be discussed and the Legal Text can be considered in November.
- **0690S** – *Reduce qualifying period for Class 1.* An amended Modification was discussed. It is anticipated that the Legal Text can be considered in October.
- **0691S** – *CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met.* An amended Modification was discussed. A further amended Modification will be discussed in October and the Legal Text can be considered in November.
- **0693R** – *Treatment of kWh error arising from statutory volume-energy conversion.* ScottishPower provided an update on the Request and the Workgroup considered the required information to support further analysis. Available information will be considered at the next meeting.

Governance Workgroup Headlines

www.gasgovernance.co.uk/gov

The last meeting was held on the 02 September 2019. The meeting on 02 October 2019 was cancelled. The next meeting is due to take place on 04 November 2019.

Committees Updates

Energy Balancing Credit Committee (EBCC) www.gasgovernance.co.uk/EBCC

- The September meeting which would have been the first of the quarterly meetings was cancelled. The next meeting is due on the 25 November 2019.

Demand Estimation Sub-Committee (DESC) www.gasgovernance.co.uk/desc

- The key messages from meetings are available at: www.gasgovernance.co.uk/desc/summarykeymessages
- The next meeting is to be held on 05 November 2019.

Performance Assurance Committee (PAC) www.gasgovernance.co.uk/PAC

- The key messages from meetings are available at: www.gasgovernance.co.uk/pac/summarykeymessages
- The next meeting is on 12 November 2019.

AUG Sub Committee

- An early engagement meeting was held on 30 September 2019. The aim is to publish the draft AUGS prior to the 10 January 2020. A number of process improvements were discussed which might lead to the development of Modifications.

Data Service Contract (DSC) Committees www.gasgovernance.co.uk/DSC-CDSP

DSC Change Management Committee - at the meeting on the 11 September 2019:

- There were 4 new change proposals, which were all approved.
- Updates were provided to the Committee on the Releases planned for 2019 and 2020.

DSC Contract Management Committee – at the meeting on the 18 September 2019:

- Two Disclosure Request Report were approved along with a change to the DSC Change Management Guidelines.
- Updates were provided on the Performance of the UK Link Platform, BP20 and the Monthly Contract Management Report

DSC Credit Committee

- The September meeting which would have been the first of the quarterly meetings was cancelled. The next meeting is due on the 25 November 2019.

Things to Note...

Helpful Reminders:

- Please be reminded that the Modification Template is available on the Joint Office Website at: www.gasgovernance.co.uk/unc/templates
- Please also be reminded that New Modifications should be raised at least 8 working days prior to each monthly Panel meeting.

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