



# MARCH 2017 NEWSLETTER

Welcome to the Joint Office of Gas Transporters Newsletter, we hope you find this a useful addition to your inbox. It will be issued on a monthly basis and is designed to provide an overview of what is happening in the UNC. In this Newsletter we have tried to provide an overview of progress across everything we do, please refer to the Table of Contents below.

## *At A Glance....*

**Need Help? Or want to Contact Us?**

Email: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

Tel: 0121 288 2107

**Meet the Joint Office of Gas Transporters Team.**

<http://www.gasgovernance.co.uk/jointoffice/staff>

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## Implementation Dates Coming Up

(Note PNID = Project Nexus Implementation Date)

Ref	Title	Date
0565A	CDSP – General Framework and Obligations	01 April 2017
0587	Seasonal Energy Balancing Credit Cover	01 May 2017
0432	Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation Reform	01 June 2017
0434	Project Nexus – Retrospective Adjustment	01 June 2017
0440	Project Nexus – iGT Single Service Provision	01 June 2017
0518S	Shipper Verification of meter and address details following system meter removals	01 June 2017
0445	Amendment to the arrangements for Daily Metered Supply Point Capacity	PNID 01 June 2017
0473	Project Nexus – Allocation of Unidentified Gas	PNID
0514	Extending the Daily Metered ‘voluntary’ service to PNID plus six months	PNID
0516S	Information provision by large Customers to aid understanding of site characteristics	PNID
0523S	Supply Point Registration – Facilitation of ‘faster switching’ for Shared Supply Meter Points	PNID
0572	Amendment to the definition of AUG year within TPD Sec E	PNID
0573	Project Nexus – deferral of implementation of elements of Retrospective Adjustment arrangements	PNID
0576	Generation of an estimated Meter Reading at the Code Cut Off Date in the absence of an actual Meter Reading	PNID
0583S	Requiring an Opening Meter Reading at same User Confirmation	PNID
0586FT	Resolution of minor legal text drafting conflicts arising from UNC Modification 0432	PNID
0589S	Inclusion of CSEP Supply Meter Points within NDM Sampling Arrangements	PNID

## Consultation Close-Out Dates **By 09 March 2017**

- **0600S** – Amend obligation for the acceptance of EPDQD revisions made after D+5

## New Modifications discussed at Panel

For a summary of the content of these modifications, see Pre-Panel Briefing Note at:

<http://www.gasgovernance.co.uk/panel/160217>

### 0609A

Transitional arrangements for gas settlement and replacement of Meter Readings, retaining AQ2017 (Project Nexus transitional modification)  
[www.gasgovernance.co.uk/0609](http://www.gasgovernance.co.uk/0609)

- Panel confirmed status as an Alternate to 0609
- Both 0609 and 0609A determined as not self-governance (i.e. Authority Direction)
- Issued to Workgroup for Assessment
- First meeting 20 February 2017 (Distribution WG)
- Report to Panel by March 2017

### 0611

Amendments to the firm capacity payable price at Interconnection Points  
[www.gasgovernance.co.uk/0611](http://www.gasgovernance.co.uk/0611)

- Issued to Workgroup for Assessment
- First meeting 02 March 2017 (Transmission WG)
- Report to Panel by May 2017

**0612R**

Project Management and Assurance provisions for gas industry changes

[www.gasgovernance.co.uk/0612](http://www.gasgovernance.co.uk/0612)

- At the Proposer's request, Panel agreed that this should be treated as a Request
- Issued to Workgroup for Assessment
- First meeting date to be confirmed
- Report to Panel by September 2017

## Transmission Workgroup Headlines

- A pre-Mod discussion on "**EU CAM Capacity Conversion**" was led by National Grid NTS; a draft self governance mod is expected to be ready for consideration in time for the next workgroup in April. The proposal is for a post auction process to enable shippers to 'convert' capacity if they are 'forced' to buy the bundled product when they already hold legacy unbundled capacity on the National Grid side of the Interconnection Point (IP). At this time the proposal only covers Annual, Quarterly and Monthly capacity products.
- **UNC 0605S** - *Amendments to TPD Section K - Additional Methods to Procure and Dispose of Operating Margins Gas*. Update provided by National Grid NTS: they are still evaluating the potential level of Operating Margins trading risk going forward. More detail is expected for discussion at the April workgroup meeting.
- **UNC 0611**- *Amendments to the firm capacity payable price at Interconnection Points*. This new proposal seeks to facilitate compliance with the EU tariff code through amendments to the payable price at IPs. It will also introduce a Mandatory Minimum Premium (MMP) to help projects for incremental capacity pass the Economic Test. The workgroup has begun making a substantiated recommendation to Panel that the modification should be self-governance. The impact on discounts is to be considered at the March NTSCMF workgroup.
- **UNC 0607S** - *Amendment to Gas Quality NTS Entry Specification at the St Fergus NSMP System Entry Point*. Detailed analysis is being undertaken for inclusion in the workgroup report, including the development of scenarios to understand the levels of CO2 that may enter the NTS and the penetration of this gas into the network.

## Funding, Governance and Ownership (FGO) Workgroup Headlines

- This Workgroup is looking at the impact of **UNC 0565A** – *CDSP - General framework and obligations* on the legal text and associated UNC documents to ensure the arrangements being implemented on 01 April 2017 are effective after Nexus is implemented (because the Nexus modifications did not envisage FGO etc).
- It was noted that the attendance to FGO Workgroup meetings has been disappointly low, however this has not prevented progress being made.
- A review of UNC related documents is being undertaken to ensure they are consistent with FGO.
- **UNC 0604S** - *Central Data Services Provider – Arrangements following implementation of Project Nexus*. The main focus has been to consider the initial legal text drafting which is close to completion. The aim is to conclude the Workgroup Report at the meeting (by teleconference) on Tuesday 07 March for submission to the March Panel.

## Distribution Workgroup Headlines

- EDF Energy provided their initial proposals for a modification to introduce a new status of 'Failed' for the In-Home Display (IHD) Installed Status, so that the Suppliers are able to capture when it has not been possible to provide an IHD to the customer as part of the smart metering installation visit. This modification may be classed as a Class 3 UK Link modification because there is no requirement to change Code as it is a file/field amendment.
- **UNC 0570** - *Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum*. Following consideration of proposed legal text, it was identified that there may be unintended consequences on minimum meter reading frequencies and it was agreed that further time was required for assessment and an extension to the Panel reporting date is to be requested.
- **UNC 0594R** - *Meter Reading Submission for Advanced & Smart Metering*. Ofgem presented views on an approach where the discussions at UNC594R could be used to inform a separate Impact Assessment (if needed) when considering options to deliver the CMA requirements.
- **UNC 0606S** - *National Grid Gas plc and National Grid Gas Distribution Limited transitional invoicing arrangement post Project Nexus implementation*. Following review of the amended modification and legal text, the Workgroup Report was completed for submission to the March Panel, with a recommendation that consultation requests parties to provide comments on the suitability of self-governance and provide information on the impacts to Shipper systems.
- **UNC 0608S** - *Implementation of 'single service provision' arrangements for iGT connected system exit points (Project Nexus transitional modification)*. The workgroup concluded its assessment of the modification. However, the associated legal text is to be reviewed at the next meeting prior to the submission of the Workgroup Report to the March Panel.
- **UNC 0609 0609A** - *Transitional arrangements for gas settlement and replacement of Meter Readings, (retaining AQ2017) (Project Nexus transitional modification)*. Workgroup participant views were polarised to support the retention or removal of the AQ process from Code. Those in favour of removal felt it posed a risk to Project Nexus implementation. Those against removal were concerned that Shippers would be exposed to a significant misallocation risk should Project Nexus be delayed beyond October 2017 and the AQ 2017 not run. The Workgroup report is expected to be completed on Friday 10 March.
- **UNC 0610S** - *Project Nexus - Miscellaneous Requirements*. The workgroup concluded its assessment of the modification. However, the associated legal text is to be reviewed at the next meeting prior to the submission of the Workgroup Report to the March Panel.
- Other points of note:-
  - A presentation was provided seeking views on the way forward for RAASP and whether it would be beneficial to undertake further benefits analysis to ensure the requirements were still consistent/needed. Some participants were opposed to a review of the requirements as they could not see any changes to industry practices which would change them. The general view is that a modification should be raised sooner rather than later to change the current date from 01 October 2017 and that this would be discussed further at the next meeting in readiness for a premodification discussion.
  - **UNC 0518S** - *Shipper Verification of meter and address details following system meter removals*. It was noted that permission would be sought from UNCC to change the implementation date for this modification, which is currently 01 June 2017, as it is likely to conflict with Project Nexus implementation requirements. Analysis is being undertaken to identify a suitable alternative implementation date

## Committees Update

### Energy Balancing Credit Committee (EBCC) <http://www.gasgovernance.co.uk/EBCC>

- Reviewing the Energy Balancing Credit Rules to ensure they are consistent with FGO
- Supporting the development of the DSC Credit Rules

### Demand Estimation Sub-Committee (DESC) <http://www.gasgovernance.co.uk/DESC>

- Summer Modelling Performance – At the February DESC, members agreed to remove holidays from the Baseline Model for EUC 01B and any impacts on Load factors
- To ensure the NDM sample size is more representative Shippers are asked to provide (where possible) daily consumption for Domestic 01B sites (March 16 – March 17) for all LDZs except EA, EM, SO, WN. More details are available in the File Format Third Party NDM Sample Data document published at: <http://www.gasgovernance.co.uk/DESC>
- Demand Estimation Technical Workgroup are to consider during April/May:
  - modelling runs to take forward based on aggregations/WAR band definitions
  - single year modelling results and approve commencement to model smoothing

### Performance Assurance Committee (PAC) <http://www.gasgovernance.co.uk/PAC>

- Procurement activities for the Performance Assurance Framework Administrator (PAFA) are on track
- PAF risk methodology has been agreed in principle
- The assumptions and initial risks identified in the Engage report have been reviewed and an initial set for PAF risk register agreed (will be a key input for the PAFA)
- Transporter Standards and Liabilities report has been deferred to the ASA Contract Managers' meeting to avoid duplication of effort
- PAC had initial consideration of the Performance Assurance Schedule 1 Reports (attributable versions)

### UK Link Committee (UKLC) <http://www.gasgovernance.co.uk/UKLC>

- The last meeting of the UK Link Committee will be held on 9/3/17. Business will be transferred to the DSC Change Management Committee from April 2017 and the UKLC will be formally closed by the UNC Panel on the 16 March

## Things to Note...

- **Data Service Contract (DSC) update:**
  - It is anticipated that the DSC User Representatives elections will be completed by 10 March 2017.
  - The DSC Credit Committee will be formally established as a subcommittee by the DSC Contract Management Committee (at its first meeting in April).
  - Information on all the new DSC Committees be provided by the JO in the very near future, once the User Representatives are in place and meeting dates for the new DSC Committees have been confirmed.

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Email: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk) Tel: 0121 288 2107

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