

**UNC Workgroup 0719R Minutes  
Calculation of Energy Value of Gas  
Monday 03 August 2020  
via Microsoft Teams**

**Attendees**

Alan Raper (Chair)	(AR)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Ben Hanley	(BH)	Northern Gas Networks
Catherine Lister	(CL)	Wales & West Utilities
David Mitchell	(DM)	SGN
Hilary Chapman	(HC)	SGN
Jeanette Gregory	(JG)	Cadent
Joel Martin	(JM)	SGN
Phil Lucas	(PL)	National Grid
Shiv Singh	(SS)	Cadent
Steven Fowler	(SF)	SGN
Steve Pownall	(SP)	Xoserve
Vince Rowley	(VR)	Cadent

*\*via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0719/030820>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 September 2020.

**1.0 Introduction and Status Review**

Alan Raper (AR) welcomed everyone to the meeting.

**1.1. Approval of Minutes (06 July 2020)**

The minutes from the previous meeting were approved.

**1.2. Approval of Late Papers**

No late papers.

**1.3. Review of Outstanding Actions**

**0604:** National Grid (PL) to confirm if a copy of the monthly Ofgem report can be made available to DNs and if there is any narrative/analysis added to the report over and above simple provision of the CVs and all the data used to calculate the CVs.

**Update:** Phil Lucas (PL) confirmed a post meeting update had been provided and published on the July meeting page at: <https://www.gasgovernance.co.uk/0719/060720>. **Closed.**

**0607:** National Grid (PL) to consider the option of providing a Flow Weighted Average CV calculation service as a chargeable service.

**Update:** PL confirmed that National Grid do not wish to offer an enduring service for providing the Flow Weighted Average CV calculation on a chargeable basis. PL advised that National Grid anticipate issuing an OAD Notice in September under Section F5 to provide the required 6 months' notice. Recognising the lead times for establishing an alternative option, National Grid would provide an interim service for a maximum of 12 months following the 6-month notice period in September 2020. PL confirmed this service can only be offered on an all or none basis

to DNs collectively and would be a chargeable service likely to be based on OPEX costs. PL clarified the service would not be provided to a subset of DNs, as it would require all DNs to be signed-up to the service provision. Taking into account the 6 months' notice period and 12 months interim service option, this would provide a time span of 18 months for DNs to establish an alternative process. PL confirmed the charges for this service are currently being developed, along with how the costs could be split amongst the DNs. It was anticipated that this would be a contractual service agreement arrangement between the DNs and National Grid.

**Post meeting note:** National Grid is currently considering whether this interim service could be governed via OAD Section F3.

Joel Martin (JM) enquired on the reasons why National Grid were not offering the service as an enduring paid service. PL explained investment decisions are being made with regards to National Grid's system infrastructure and extra investments would be required to support an enduring service going forward. Further, as derivation of the charging area CVs is not a National Grid obligation it had made the strategic decision to exercise its right under the UNC to discontinue. Ben Hanley (BH) wished to understand the anticipated costs for building the system provisions required to enable the Workgroup to evaluate all the options.

The Workgroup further considered the interim service and the possibility of whether this could be provided on a contractual basis as an enduring service. AR noted that as National Grid are not obligated to provide the service, there would be a questionable rationale for National Grid to provide estimated build costs for a service it is not obligated to provide or wishes to continue. PL suggested that DNs merely need to demonstrate that their chosen alternative solution is the most efficient of the choices that are available to them. Nevertheless, the view of the group was that estimated costs would be useful when assessing cost from alternative service providers

The Workgroup briefly considered the need for a UNC Modification and the need to measure the change against the relevant objectives. BH wished to understand the different costs for each of the Xoserve and National Grid options to provide a comparison and help determine which would be the most cost-effective solution. It was suggested that the interim service costs would provide some cost indication of the administration costs, without the system build costs, for some comparison.

The Workgroup considered the value of providing the continuing service costs from National Grid as this would provide context to the issue and form the basis of needing to find an alternative solution. The Workgroup discussed the challenges with obtaining estimates for a service National Grid do not intend on providing.

Recognising that the alternative option available via Xoserve would need up to a 14-month delivery lead time PL asked the DNs to confirm as soon as possible if the maximum 12-month interim service provision would be sufficient. See Action 0703 – release date discussions.

Steven Fowler (SF) asked for clarity on the provision of the interim service costs and proposed split of such costs between DNs. PL confirmed these will be provided. **Closed.**

**New Action 0801:** National Grid (PL) to consider if cost information can be provided and if possible, provide further information of the cost of replacing the system, the potential ongoing costs and proposed splitting of such costs between DNs for the interim solution.

**0701:** National Grid (PL) to clarify:

1. How a CV value is updated post close out flagged as such in MIPI
2. Whether the CV Shrinkage volume changes in line with a CV value which is updated post close out and whether all the data necessary for National Grid to calculate CV Shrinkage is present in Gemini.

**Update:** PL confirmed that the data item explorer within MIPI provided the initial D+5 CV value and the revised/amended value, and that both are published on MIPI via the data item viewer.

PL clarified that the amended values are marked with an A. Additionally, PL advised that forecast CV values are also provided on a daily basis.

PL explained that the CV Shrinkage volume does not change if any CVs are changed after D+5. PL confirmed in terms of the determining CV shrinkage the only data that is not available in Gemini is the actual measured energy (being the metered volume multiplied by the point specific CV at the relevant point. BH recognised that for the interim period DNs would have to provide National Grid and Xoserve with the measured energy for CV Shrinkage and the mechanism for delivering this needs further consideration.

Steve Pownall (SP) enquired about the provision of the CV forecasts. Catherine Lister (CL) believed this was provided as an estimated average CV value for that day between 6am and 9am. It was understood that this was described within the documentation previously provided. SP enquired where the base the data comes from and if this is a new requirement.

PL agreed to clarify how the forecast CV is calculated. **Closed.**

**0702:** Joint Office (AR) to include an agenda item on the August agenda to discuss attribution mapping and how it would work under the different options.

**Update:** AR confirmed this was included on the agenda and understood work had been undertaken offline to map the network flows to understand how variations would be reflected in the mapping table. **Closed.**

**0703:** Xoserve (SP) to provide information on future DSC Change planned release dates.

**Update:** SP provided the current planned release schedule and confirmed that the earliest this change could be included is in the November 2021 release. He explained that changes scheduled for the release would need to be approved for inclusion by the DSC Change Management Committee in December 2020. SP explained that the release programme may not need to align to a major release, however consideration must be given to the Gemini impacts for viewing flow weighted CV values, and the mechanism for transferred D+5 updates into MIPI.

PL enquired if the DN requested Gemini screen changes could delay the provision of the replacement solution and if changes to Gemini access screen could be managed separately to avoid any delays.

SP confirmed that if the November 2021 could not be achieved the next available release date would be March/April 2022.

To meet the November 2021 SP confirmed that the Change Request (XRN) would need a firm solution design, costs and signed off in November 2020 for this to be tabled for inclusion in the release at the December 2020 DSC Change Management Committee, which would enable an implementation in November 2021.

SP suggested that data required for publication on MIPI would be a new National Grid requirement and therefore an additional service line for National Grid as the existing file flows would be severed. PL noted that MIPI draws all the necessary CV data from Gemini under the existing process and did not see where the additional requirements was if Xoserve were principally replicating the service provided by National Grid. It was recognised and acknowledged that detailed process flow diagrams needed to be considered in detail to ensure continuity, along with consideration of the requirement for the new Gemini screen.

The DNs considered the access requirements to Gemini screens to ensure the provision of data and the most efficient means of exchanging data. **Closed.**

<p><b>New Action 0802:</b> Xoserve (SP) to check and clarify the Change Request (XRN5063) scope approval process and timelines.</p>
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**0704:** DNs to provide an update at the next meeting on their preferred options subject to NG's response on how the service is likely to continue/or not.

**Update:** JM confirmed that the DNs have discussed the alternative options and SGN favours an Xoserve provided service. BH concurred that this was also NGN's view however he clarified this was only the preferred option of those available i.e. in light of the cessation of the current service. **Closed.**

## **2.0 Review Proposed Options**

BH wished to understand the potential changes required to the UNC OAD, and if Section F needed to be amended to obligate DNs to provide measured CV data to National Grid in the enduring arrangements. He clarified at the moment certain information utilised in this process is published by the DNs but they are not obligated to provide this to National Grid.

It was envisaged OAD changes would be required which would include transitional legal text changes and DSC Service Changes for the enduring solution.

## **3.0 Attribution Mapping**

DNs recognised the need to map the process and data flows and how this will need to translate into a UNC Modification and CDSP Change Proposal.

The general process/requirement was understood. However, SP wished for further clarity on the business rules around the provision of the service, frequency of data provision and wished to better capture some of the potential high-level solutions.

PL noted that in the current process operated by National Grid attribution mapping is static (i.e. the attributed value does not change as a consequence of a change in flow direction).

## **4.0 Development of Workgroup Report**

See item 5.0.

## **5.0 Next Steps**

AR confirmed that the Request Workgroup Report was due to be presented to the UNC Modification Panel by 17 September 2020 and confirmed one further meeting had been planned on 07 September 2020 to conclude the Workgroup Report.

It was understood that the DNs, National Grid and Xoserve would potentially meet offline to undertake further information gathering to detail requirements of the Xoserve solution and help form the required Change Request (XRN).

AR confirmed that the Request Workgroup Report would be drafted to catalogue the Workgroups considerations with a view to finalising the report for September. It was recognised that a subsequent UNC Modification and DSC Change Proposal would be required to capture the changes.

PL enquired about the availability of any Business Rules and if these need to be reviewed. SP confirmed that there are some Business Rules which would benefit from a review.

It was envisaged that a UNC Modification would need to be raised to facilitate the change and that this may require Authority Direction due to the transfer of activities and the effect on operator costs.

## **6.0 Any Other Business**

None.

## 7.0 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
10:00 Monday 07 September 2020	5pm Friday 28 August	Teleconference	Finalise Request Workgroup Report

**Action Table (as at 03 August 2020)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0604</b>	01/06/20	2.0	National Grid (PL) to confirm if a copy of the monthly Ofgem report can be made available to DNs and if there is any narrative/analysis added to the report over and above simple provision of the CVs and all the data used to calculate the CVs.	National Grid (PL)	<b>Closed</b>
<b>0607</b>	01/06/20	4.0	National Grid (PL) to consider the option of providing a Flow Weighted Average CV calculation service as a chargeable service.	National Grid (PL)	<b>Closed</b>
<b>0701</b>	06/07/20	1.3	National Grid (PL) to clarify: 1. How a CV value is updated post close out flagged as such in MIPI. 2. Whether the CV Shrinkage volume changes in line with a CV value which is updated post close out and whether all the data necessary for National Grid to calculate CV Shrinkage is present in Gemini.	National Grid (PL)	<b>Closed</b>
<b>0702</b>	06/07/20	2.0	Joint Office (AR) to include an agenda item on the August agenda to discuss attribution mapping and how it would work under the different options.	Joint Office (AR)	<b>Closed</b>
<b>0703</b>	06/07/20	2.0	Xoserve (SP) to provide information on future DSC Change planned release dates.	Xoserve (SP)	<b>Closed</b>
<b>0704</b>	06/07/20	3.0	DNs to provide an update at the next meeting on their preferred options subject to NG's response on how the service is likely to continue/or not.	DNs	<b>Closed</b>

**Action Table (as at 03 August 2020)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>0801</b>	03/08/20	1.3	National Grid (PL) to consider if cost information can be provided and if possible, provide further information of the cost of replacing the system, the potential ongoing costs and proposed splitting of such costs between DNs for the interim solution.	National Grid (PL)	<b>Pending</b>
<b>0802</b>	03/08/20	1.3	Xoserve (SP) to check and clarify the Change Request (XRN5063) scope approval process and timelines.	Xoserve (SP)	<b>Pending</b>