



APRIL 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 Uniform Network Code (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?

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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)

UNC Ref	Title	Date
0565A	<i>CDSP – General Framework and Obligations</i>	01 April 2017
0598S	<i>Amendments to Capacity Allocations Mechanisms to comply with EU Capacity Regulations</i>	06 April 2017
0597	<i>Rules for the release of incremental capacity at Interconnection Points</i>	06 April 2017
0600S	<i>Amend obligation for the acceptance of EPDQD revisions made after D+5</i>	07 April 2017
0587	<i>Seasonal Energy Balancing Credit Cover</i>	01 May 2017
0432	<i>Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation Reform</i>	01 June 2017
0434	<i>Project Nexus – Retrospective Adjustment</i>	01 June 2017
0440	<i>Project Nexus – iGT Single Service Provision</i>	01 June 2017
0445	<i>Amendment to the arrangements for Daily Metered Supply Point Capacity</i>	PNID
0473	<i>Project Nexus – Allocation of Unidentified Gas</i>	PNID
0514	<i>Extending the Daily Metered ‘voluntary’ service to PNID plus six months</i>	PNID
0516S	<i>Information provision by large Customers to aid understanding of site characteristics</i>	PNID
0523S	<i>Supply Point Registration – Facilitation of ‘faster switching’ for Shared Supply Meter Points</i>	PNID
0572	<i>Amendment to the definition of AUG year within TPD Sec E</i>	PNID
0573	<i>Project Nexus – deferral of implementation of elements of Retrospective Adjustment arrangements</i>	PNID
0576	<i>Generation of an estimated Meter Reading at the Code Cut Off Date in the absence of an actual Meter Reading</i>	PNID
0583S	<i>Requiring an Opening Meter Reading at same User Confirmation</i>	PNID
0586FT	<i>Resolution of minor legal text drafting conflicts arising from UNC Modification 0432</i>	PNID
0589S	<i>Inclusion of CSEP Supply Meter Points within NDM Sampling Arrangements</i>	PNID
0518S	<i>Shipper Verification of meter and address details following system meter removals</i>	01 September 2017

Consultation Close-Out Dates **By 06 April 2017**

- **0604S** – *Central Data Services Provider – Arrangements following implementation of Project Nexus*
- **0606S** – *National Grid Gas plc and National Grid Gas Distribution Limited transitional invoicing arrangement post Project Nexus implementation.*
- **0608S** – *Implementation of 'single service provision' arrangements for iGT connected system exit points (Project Nexus transitional modification)*
- **0609** – *Transitional arrangements for gas settlement and replacement of Meter Readings (Project Nexus transitional modification)*
- **0610S** – *Project Nexus - Miscellaneous Requirements*

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/160317>

0613S

Creation of the UK Link Manual within the CDSP Data Services Contract

www.gasgovernance.co.uk/0613

- Self-governance status approved
- Issued to Workgroup for Assessment
- First meeting 23 March 2017 (Distribution WG)
- Report to Panel by May 2017

0614S

Introducing IHD (In Home Display) Installed Status of Failed

www.gasgovernance.co.uk/0614

- Deferred to allow further consideration by the Proposer

Transmission Workgroup Headlines

- Pre-Mod discussions continue on “**EU CAM Capacity Conversion**” that is being submitted by National Grid NTS to the April Panel meeting; the draft self governance modification is being considered at Workgroup, alongside early thoughts on the associated Business Rules. 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).
- **0605S - Amendments to TPD Section K - Additional Methods to Procure and Dispose of Operating Margins Gas.** Concerns were raised about the potential shipper exposure to any OM gas trading errors made by National Grid NTS. National Grid NTS has operated a gas trading desk for shrinkage purposes for a number of years and have provided details of historical trading errors as a means of putting these concerns into context.
- **0611- Amendments to the firm capacity payable price at Interconnection Points.** This proposal seeks to facilitate compliance with the EU tariff code through amendments to the payable price at IPs. Introducing a Mandatory Minimum Premium (MMP) to help projects for incremental capacity pass the Economic Test. The next steps are to review an amended Modification (including Suggested Legal Text).
- **0607S - Amendment to Gas Quality NTS Entry Specification at the St Fergus NSMP System Entry Point.** Analysis to understand the levels of CO₂ that may enter the NTS and the penetration of this gas into the network is nearing conclusion, the group is looking to assess the impact on consumers.

Distribution Workgroup Headlines

- No pre modifications for discussion at this months meeting. The following Modification Workgroups were held:
- **0570** - *Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum*. Following discussion in the Workgroup, the proposer is considering if the obligations proposed should be developed as a SPAA change and if this should be a cross code modification.
- **0571 0571A** – *Application of Ratchet Charges to Class 1 Supply Points (and Class 2 with an AQ above 73,200kWhs)*. The Workgroup considered the questions asked by Panel when sending the Final Modification Report for further assessment. It is agreed that further information is required to assess the risks identified by Panel, specifically about SOQs and if there is evidence, that this could be understated to gain an advantage.
- **0593** – *Provision of access to Domestic Consumer data for Price Comparison Websites and Third Party Intermediaries*. It should be noted that this is now considered to be a Cross Code modification and is being assessed with iGT UNC Modification 095. The Workgroup considered the Ofgem sendback letter and questions raised by Panel. A MRASCo representative provided an overview of the approach they are adopting for their modification and that they are willing to help support the UNC/iGTUNC process. Also agreeing to consider an initial draft of the Privacy Impact Assesment (requested in the Ofgem letter) at the next meeting, and that once developed, it should be included in the Final Modification Report.
- **0594R** – *Meter Reading Submission for Advanced & Smart Metering*. Following consideration of a draft document, which listed questions that could form the base of a Request for Information (RFI) on the introduction of mandatory meter readings, the workgroup concluded that should Ofgem issue the RFI, it should be possible to complete the Request Report for Panel and close the Workgroup.
- **0613S** – *Revised UK Link Manual CDSP Data Services Document*. Following an initial discussion, Workgroup consideration is being deferred pending provision of the first draft of the UK Link Manual.
- Other points of note:-
 - **RAASP** – The Workgroup notes that RAASP is being considered in more detail as part of the DSC Change Management Committee discussions, especially when considering change prioritisation aspects. It also notes that a modification to change or defer the 01 October 2017 implementation date for RAASP is not being considered for April Panel.
 - **Defect 12790 – Class 1 & 2 Read Validations not as per the BRD** – It is noted that the proposed workaround solution adopts a weighted average based approach and has the support of the Market Trials Group. Going forwards, the approach is to become the enduring solution and that the change impacts the Uniform Network Code Validation Rules which were amended. Agreeing that this is not really a Distribution Workgroup matter and would be better progressed through the DSC Change Management Committee in future.

Funding, Governance and Ownership (FGO) Workgroup Headlines

- The March 2017 Panel approved the formal closure of The Funding, Governance and Ownership (FGO) Workgroup. Following implementation of FGO on 01 April 2017. Uniform Network Code and DSC activities will be undertaken in the relevant forums e.g. Distribution Workgroup or DSC Committees.
- Uniform Network Code Related Documents (amended for FGO) – Committee approved all ten documents.

Committees Update

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

- The Energy Balancing Credit Rules are being updated to take into account UNC Modification 0565A Central Data Service Provider - General framework and obligations (effective from 01 April 2017) and 0587 Seasonal Energy Balancing Credit Cover (effective from 01 May 2017), and will be published at: <http://www.gasgovernance.co.uk/tpddocs>
- Gemma Truran is resigning as an EBCC member. An alternate member is being considered.

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

- Demand Estimation Technical Workgroup during April/May is considering:
 - The Spring Analysis - Phase 1, 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>

- The Performance Assurance Framework (PAF) Administrator procurement remains on track
- The PAF document has been clarified in respect of Uniform Network Code Committee's (UNCC) concerns about budgeting and was approved at the March UNCC meeting.
- The PAF Reports Register has been approved.
 - Details the individual reports and schedules
 - Reports Register can be found at: <http://www.gasgovernance.co.uk/PAC>
- After considering how the broadly-equivalent Electricity Incentive Scheme operates, two new Issues are being raised:
 - A potential need for PAF-specific contacts to be established; need to understand the purposes (such as operational process, commercial etc). For resolution by August 2017.
 - Possible benefits in providing some 'preventative services' (such as systems/process verification, formal training etc) to parties. For resolution by December 2017.

UK Link Committee

- The March 2017 Uniform Network Code Committee (UNCC) approved the closure of the UK Link Sub-Committee (UKLC) with work now transferred to the new DSC Change Management Committee going forwards.

Data Service Contract (DSC) Committees <http://www.gasgovernance.co.uk/DSC-CDSP>

- The DSC Change and DSC Contract Management Committees have now been established with 10 voting representatives for each committee. The first meeting dates for the Committees are:
 - Change Management Committee – 12 April 2017
 - Contract Management Committee – 18 April 2017
- The DSC Credit Committee has also been established with 9 interim members. The first meeting date is:
 - Credit Committee – 24 April 2017

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCFM)

- The DNCFM held its 1st quarterly meeting on 22 March 2017 where the Allowed and Collected DN Revenue Reports were presented. At the next meeting on 20 June 2017 the GDNs intend to provide an overview of the Allowed and Collected DN Revenue Reports to assist industry understanding.
- The Gas Distribution Networks (GDNs) have agreed to work with National Grid NTS to understand the impacts of the Gas Charging Review (GCR) at the earliest opportunity and have encouraged Shipper engagement in the process.

Transmission Network Charging Methodology Forum (NTSCMF)

- The main focus for NTSCMF is the Gas Charging Review (GCR) that was originally established to assess both the requirements of the EU tariff code and identify improvements to the existing GB Charging Framework. Charging Calculation spreadsheets are being made available to stakeholders to enable them to review the impacts of potential changes to the GB Gas Transmission Charging framework.
- Two Workgroups are scheduled for April; one that will have taken place on 05 April 2017 and the second meeting is taking place on 24 April 2017 supporting this activity.

Things to Note...

- **Independent Panel Chairperson Appointment process**
 - The Joint Governance Arrangements Committee response to the consultation and final process document (<http://www.gasgovernance.co.uk/PanelChair2017>)
- **Additional Panel Members required after Nexus goes live**
 - As a consequence of the inclusion of iGT supply points in the new UK Link system, one additional Shipper and one iGT member is to be appointed in time for the June Panel.
 - Nominations from Shippers have been requested – via existing Single Points of Contact – with an election to follow if necessary.
 - AiGT have been invited to nominate their representative.
- **Withdrawn Modification(s)**
 - 0612R – Project Management and Assurance provisions for gas industry changes (withdrawn 21 March 2017)
- **Joint Office website**
 - Our consultation on the refresh of the Joint Office website is now closed – thanks to all for your views and contributions.
 - Respondents are broadly supportive, with several useful observations on navigation and structure.
 - We will keep you informed as work progresses.
- **Chris Shanley**
 - Chris Shanley has now finished his 7 months with the Joint Office as Workgroup Manager and would like to say “goodbye” to anyone he did not get to speak to before he left. The Joint Office Team will miss his great contributions.
 - All enquiries that were previously sent to Chris Shanley, should now be addressed to the Joint Office Enquires box account: enquiries@gasgovernance.co.uk

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