



JUNE 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?

Email: enquiries@gasgovernance.co.uk

Tel: 0121 288 2107

Meet the Joint Office of Gas Transporters Team.

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

Table of Contents for June 2017

Implementation Dates Coming Up	2
Consultation Close-Out Dates	2
New Modifications discussed at Panel	2
Transmission Workgroup Headlines	3
Distribution Workgroup Headlines	4
Charging Methodology Forums	5
Committees Update	6
Things to Note...	7

Implementation Dates Coming Up (Note PNID = Project Nexus Implementation Date)		
UNC Ref	Title	Date
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
0617S	<i>Revised UK Link Manual delivery date</i>	01 June 2017
0618 (Urgent)	<i>Extension of Invoicing Contingency Arrangements in case of Project Nexus defect</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
0604S	<i>Central Data Services Provider – Arrangements following implementation of Project Nexus</i>	PNID
0606S	<i>National Grid Gas plc and National Grid Gas Distribution Limited transitional invoicing arrangements post Project Nexus implementation</i>	PNID
0518S	<i>Shipper Verification of meter and address details following system meter removals</i>	01 September 2017

Consultation Close-Out Dates	www.gasgovernance.co.uk/consult
<ul style="list-style-type: none"> There are no modifications at consultation. 	

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/180517	
0614S <i>Introducing IHD (In Home Display) Installed Status of Failed</i> www.gasgovernance.co.uk/0614	<ul style="list-style-type: none"> Deferred to allow further consideration by the Proposer
0619 <i>Application of proportionate ratchet charges to daily read sites</i> www.gasgovernance.co.uk/0619	<ul style="list-style-type: none"> ‘Authority Direction’ governance approved Issued to Workgroup for Assessment First meeting 25 May 2017 (Distribution WG) Report to Panel by August 2017

Transmission Workgroup Headlines

www.gasgovernance.co.uk/tx

May Meeting

- No Pre-Modification discussions this month.
- **0605S** - *Amendments to TPD Section K - Additional Methods to Procure and Dispose of Operating Margins Gas*. The Workgroup Report is nearing completion; draft Business Rules for addressing potential trading errors were considered at the 04 May Transmission Workgroup meeting and the legal text will be considered at the June meeting, aiming for Panel Submission in July.
- **0611**- *Amendments to the firm capacity payable price at Interconnection Points*. The Workgroup examined the Legal text at its May meeting; an amended Modification has been circulated and the Workgroup Report is expected to be finalised at the June workgroup.
- **0616S** - *Capacity Conversion Mechanism for Interconnection Points*. The workgroup considered whether the approach could be based on a 'more restricted' or a 'more relaxed' approach regarding whether capacity was available with the adjacent TSO. National Grid NTS confirmed that there were no plans to provide a daily service. Based upon the discussions, an amended modification is expected.

June Meeting

- **Pre-mod discussion** - *Treatment of Capacity at Combined ASEPs*. National Grid NTS is proposing a new Modification to facilitate the ability to apply adjustments to tariffs at specific classifications of points with an ASEP. The proposer is planning to submit the modification to the July Panel.
- **0605S** - *Amendments to TPD Section K - Additional Methods to Procure and Dispose of Operating Margins Gas*. The Workgroup Report concluded its assessment of the business rules and legal text. The Workgroup Report has been published for consideration at the June Panel.
- **0611**- *Amendments to the firm capacity payable price at Interconnection Points*. The Workgroup Report concluded its assessment of the business rules and legal text, recommending the modification should be considered as suitable for self-governance as no material impacts had been identified. The Workgroup Report has been published for consideration at the June Panel.
- **0616S** - *Capacity Conversion Mechanism for Interconnection Points*. Following consideration of the ENTSOG consultation on the "capacity conversion model" and any changes to the ENTSOG proposals due to the consultation, the proposer is to provide an amended modification at the next meeting.
- Other points of note: -
 - **Incentives Presentation** – National Grid NTS as System Operator, provided an overview of progress made to date on RIIO incentive regimes:
 - **Green House Gas** – proposing to make some changes to the scheme to ensure maximum effectiveness in driving the right behaviours.
 - **Demand forecasting** – not proposing any changes to this incentive scheme, intending to continue to forecast D- 2-5.
 - **Maintenance** – proposing to have changes by increasing maintenance activity alignment meaning less disturbance to the customer and ensuring more availability.
 - **Operating Margins** - seeking views on whether this incentive should remain reputational or return to a risk sharing financial.
 - **Information Provision Presentation** – National Grid NTS sought views on the provision of real time gas quality data. Responses were mixed with some participants seeing a positive benefit and with others seeing no real benefit as the data may be limited by commercial sensitivity or provided with sufficient frequency.

Distribution Workgroup Headlines

www.gasgovernance.co.uk/dist

- No Pre-Modification discussions this month.
- **0570** - *Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum.* The Workgroup Report was concluded subject to confirmation that the solution satisfies the action required by the CMA report to improve performance for the provision of meter readings into settlement.
- **0593 / iGT095** – *Provision of access to Domestic Consumer data for Price Comparison Websites and Third Party Intermediaries.* The Workgroup were provided with an update on the meeting between the CMA and a small representative group of Workgroup participants. The CMA were sympathetic to the issues identified with a DES solution and are aiming to publish a view on the acceptability of an API based solution by early June. The Workgroup agreed it would be beneficial to consider the CMA update at the next meeting as this is likely to lead to Variations to both modifications.
- **0594R** – *Meter Reading Submission for Advanced & Smart Metering.* The Workgroup concluded that the Ofgem Request for Information (RFI) process should run for the standard 4 weeks to allow time for parties to consider responses due to the resource impacts of Project Nexus implementation. However, there were some concerns as to whether a July reporting date could be met as the RFI information would not be available in time to conclude the Workgroup report. Further consideration was deferred to the next meeting on 22 June.
- **0613S** – *Revised UK Link Manual CDSP Data Services Document.* The Workgroup considered a presentation on proposed changes to the timeline and how the DSC Committees and UNC process could be coordinated to allow for the timely implementation of the revised UK Link Manual. The Workgroup concluded that the 31 July implementation date was not achievable and a UNC modification should be raised to extend the revised UK Link Manual implementation date to a more suitable date during October 2017. A specific Workgroup meeting has been planned for 05 June 2017.
- **0615S** - *Representation on DSC Committees: amendment to include mid-year appointments.* The Workgroup considered a number of questions raised by Legal representatives when considering the provision of Legal text. The proposer intends to provide written clarification, or an amended modification if appropriate, for consideration at the next meeting.
- **0619** - *Application of proportionate ratchet charges to daily read sites.* The Workgroup considered the modification and a number of comments provided for initial consideration. It was agreed a number of worked examples across the different EUC Bands would be useful. In addition and if possible, to use the information obtained by Transporters demand estimation data loggers to see if cold weather would potentially trigger Ratchet charges for those Supply Points currently nominated as NDM if they were subsequently transferred into Product Class 2.
- Other points of note:-
 - **Retrospective Adjustments for Assets and Supply Points (RAASP)** - Transporters and Xoserve provided a paper on the way forward for RAASP. The current 01 October 2017 implementation date for RAASP functionality was believed to be unrealistic as Xoserve still had to undertake an assessment of the requirements. It was noted that either a modification or an Ofgem Consent to Modify was required to change the implementation date. Transporters were supportive of a review of the functionality to ensure the benefits were still achievable. However, it was suggested that a modification was required to unwind the RAASP functionality and this would need to demonstrate the benefits of doing so.
 - **Seasonal Capacity Loads Contact Information** – Transporters agreed to provide their specific contact information for Seasonal Capacity Loads enquiries and that this would be published with the process on the Xoserve website.

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCFM)

- The quarterly DN Revenue reports for periods ending: November, February, May and August are published at: <http://www.gasgovernance.co.uk/DNRevenueReports> and will be available in the subsequent month.
- The next meeting is scheduled for 20 June 2017, where the GDNs intend to provide an overview of the Allowed and Collected DN Revenue Reports to assist industry understanding.

National Transmission System Charging Methodology Forum (NTSCMF)

- The Workgroup considered a draft modification on 23 May 2017, focusing on a proposal developed as part of the Gas Charging Review (GCR) to change the underlying Reference Price methodology (RPM) used in the calculation of Entry and Exit capacity charges and align the methodology with the EU Tariff Code. The modification is expected to be raised by the June Panel and be referred to the NTSCMF for further assessment.
- Plans have been made for additional NTSCMF meetings in July, August and September to support development of specific sections of the Modification including: Capacity Weighted Distance methodology, Revenue Recovery, Forecasted Contracted Capacity, Interruptible Capacity Pricing, Multipliers, Avoiding Inefficient Bypass of the NTS, Storage, Locational Signals and so on.
- Sub group meetings continued to support development of ideas and provide analysis of options.

Committees Update

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

- An interim User Representative process ran in May to seek additional EBCC members. RWE npower have provided a replacement member for Gemma Truran, who retired from the committee. No other nominations were provided.
- At the May meeting the EBCC undertook a security review, a 12 Month Review and considered the focus for 2017/2018.

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

- The Technical Workgroup considered the single year modelling results and approved commencement of work on model smoothing. The smoothed models will be reviewed by DESC and Technical Workgroup members on 12 July 2017.
- The industry will shortly be invited to review and comment on the proposed models for 2017/18, including Annual Load Profiles and Peak Load Factors.
- To ensure sample sizes remain representative, Xoserve are looking to obtain additional daily consumption data from Shippers, especially for meter points in EUC 01B. For more details please contact: xoserve.demand.estimation@xoserve.com

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

- The PAFA Procurement is currently on target.
- Annual Work plan and Budget for 2017/18
 - Working towards a consultation in July 2017.
- Performance Assurance Report Register (PARR)
 - Schedule 1 reports have been considered, with no significant concerns at this time
 - Anonymised versions are available on the Xoserve secure portal.
 - Parties are reminded that Schedule 2 reports are not expected to be available until 6-9 months after Nexus go-live. In the interim, Schedule 1 reporting will continue wherever possible.

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

- Key documents are available on the Xoserve website at: <http://www.xoserve.com/index.php/our-change-programme/xoserves-funding-governance-and-ownership-fgo-programme>.
- In May, the two DSC Change Committee meetings considered the change backlog, identified defects changes and the release scheduling requirements. A technical subgroup to the DSC Change Committee may be required.
- The DSC Contract Committee considered interactions with PAC, SPAA and amendments to the UK Link Manual.
- The DSC Credit Committee has now approved the Credit Rules and have recently reviewed the cash collection performance for the first batch of invoices. The AiGT has also been approached for a representative to join the committee.

Things to Note...

- **Joint Office website**
 - Work is ongoing on the refresh of the Joint Office Website. We hope to be in a position to provide more information on this soon.
- **Recruitment**
 - Recruitment of an additional Workgroup Co-ordinator is ongoing with a great list of shortlisted candidates expected to be interviewed in June.
- **Retirement of Les Jenkins**
 - Les has announced that he will leave the Joint Office in September 2017.
 - Cadent Gas, on behalf of the gas transporters, will shortly be advertising the Chief Executive role and would welcome applications from across the industry.
- **Single Points of Contact (SPoCs) for 2017-18 UNC User Representatives Process**
 - Shippers have been invited to nominate their Single Points of Contact (SPoCs), who will represent their organisations throughout the UNC User Representative Appointment Process. For more information please refer to the guidelines published at: <http://www.gasgovernance.co.uk/elections>.
 - Deadline for submission of your SPoC is 23 June
- **Withdrawn Modification(s)**
 - 0571 and 0571A - Application of Ratchet Charges to Class 1 Supply Points (and Class 2 with an AQ above 73,200kWhs).
- **Allocation of Unallocated Gas Statement for 2017/18 (AUGS)**
 - UNCC did not approve any amendments (this requires a unanimous vote to make a change).
 - The Statement was therefore approved.



Need Help? Or want to Contact Us?

Email: enquiries@gasgovernance.co.uk Tel: 0121 288 2107

Twitter:- @JointOffice

