

Joint Office

of Gas Transporters

AUGUST 2017 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....

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		
UNC Ref	Title	Date
0605S	<i>Amendments to TPD Section K – Additional Methods to Procure and Dispose of Operating Margins Gas</i>	11 Aug 17
0611S	<i>Amendments to the firm capacity payable price at Interconnection Points</i>	11 Aug 17
0518S	<i>Shipper Verification of meter and address details following system meter removals</i>	01 Sept 17

Consultation Close-Out Dates		www.gasgovernance.co.uk/consult
0570	<i>Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum</i>	10 Aug 17
0615S	<i>Representation on DSC Committees: amendment to include mid-year appointments</i>	10 Aug 17

New Modifications discussed at July Panel

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

<http://www.gasgovernance.co.uk/panel/200717>

0623 <i>Governance Arrangements for Alternatives to Self-Governance Modification Proposals</i> www.gasgovernance.co.uk/0623	<ul style="list-style-type: none"> • Authority Direction governance approved • Issued to Workgroup for Assessment • First meeting 21 August (Governance Workgroup) • Report to Panel by 21 December 2017
0624R <i>Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address data</i> www.gasgovernance.co.uk/0624	<ul style="list-style-type: none"> • Issued to Workgroup for Assessment • First meeting 21 August (independent WG) • Report to Panel by 18 January 2018

Workgroup Reports discussed at July Panel

0570 <i>Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum</i> www.gasgovernance.co.uk/0570	<ul style="list-style-type: none"> • Issued to consultation • Deadline for responses: 10 August 2017
0593V <i>Provision of access to Domestic Consumer data for Price Comparison Websites and Third Party Intermediaries</i> www.gasgovernance.co.uk/0593	<ul style="list-style-type: none"> • Workgroup supplemental report and recommendations considered • Variation considered material • Consideration deferred to August meeting

<p>0594R <i>Meter Reading Submission for Advanced and Smart Metering</i> www.gasgovernance.co.uk/0594</p>	<ul style="list-style-type: none"> • Referred back to WG for further assessment • Report now expected at Panel by September meeting
<p>0615S <i>Representation on DSC Committees: amendment to include mid-year appointments</i> www.gasgovernance.co.uk/0615</p>	<ul style="list-style-type: none"> • Issued to consultation • Deadline for responses: 10 August 2017

<p>Transmission Workgroup Headlines</p>	<p>www.gasgovernance.co.uk/tx</p>
<ul style="list-style-type: none"> • Pre Modification - Treatment of Capacity at Combined ASEPs. This modification is proposing the introduction of different classifications of capacity at ASEPs and the classification of “abandoned” capacity. It was noted that the proposer wishes to trial a rapid modification process, including hosting a webex meeting on 29 August to support the development of the modification prior to its submission to the September Panel. • 0616S - Capacity Conversion Mechanism for Interconnection Points. The Workgroup reviewed the proposed amendments to the modification and legal text. It was proposed that National Grid should be able to respond to a request to convert unbundled capacity in less than 3 days to allow a resubmission should an error be identified. The proposer agreed to provide an amended modification and legal text so that the Workgroup Report can be concluded at the next meeting. • Other points of note:- <ul style="list-style-type: none"> ○ Gas Demand Side Response - National Grid NTS are seeking views on whether the DSR Methodology meets the principles of their Licence Special Condition (SC) 8I — ‘Development and Implementation of a Demand Side Response Methodology for use after a Gas Deficit Warning’. The consultation opened on 20th July and closes on 18th August. ○ Gemini Changes - Shipper Information – Gemini Implementation is scheduled for Sunday 13th August which includes the following changes: <ul style="list-style-type: none"> ▪ Four auctions for IP Quarterly Capacity replaces one auction ▪ IP Annual Yearly Auction is moving from March to July ▪ New reports are being made available ○ Statutory consultation under section 23 of the Gas Act 1986 – changes to National Grid Gas’s transporter licence as a result of the CAM Network Code – It was noted that on 01 August 2017, Ofgem launched a consultation on changes to NGG’s gas transporter licence which are required as a result of the EU Capacity Allocation Mechanism (CAM) Network Code incremental capacity arrangements. 	

Distribution Workgroup Headlines

www.gasgovernance.co.uk/dist

- No Pre-Modification discussions this month.
- **0594R** – *Meter Reading Submission for Advanced & Smart Metering*. The Workgroup considered a high level overview of the responses to the RFI. A more detailed anonymised report of the RFI findings is to be presented at the next meeting
- **0613S** – *Revised UK Link Manual CDSP Data Services Document*. The Workgroup reviewed the UNC and DSC Terms and Conditions impacted by the UK Link Manual and no significant issues were identified and the Workgroup Report was concluded.
- **0619** - *Application of proportionate ratchet charges to daily read sites*. The Workgroup considered the amended modification. Consideration was given to a number of issues including overstated SOQs and uneconomic reinforcement. These issues are to be discussed further at the next meeting.
- Other points of note:-
 - **Market Breaker Tolerance** – The Workgroup noted issues that were identified around the submission of reads where these had failed the market breaker test and the submission of corrected reads. It was noted that a modification would be needed to change the current requirements in Code.
 - **Transition window for sites Class 1 who will have to move to Class 2** - it was noted that an issue has been identified which is causing problems for Class 1 sites which should transition to Class 2. A modification is to be raised to extend the Transition window following Nexus transition issues.
 - **Post Nexus Issues** – It was noted that a log of post Nexus issues were being compiled and that this would be shared with the DSC Change Management Committee. Issues that potentially have a Code impact would be presented to the Distribution Workgroup.

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCFM)

- The next quarterly DN Revenue reports will be published at: www.gasgovernance.co.uk/DNRevenueReports/2017Sep, and these will be reviewed at the DNCFM on 19 September 2017

National Transmission System Charging Methodology Forum (NTSCMF)

www.gasgovernance.co.uk/ntscmf

- 0621 - Amendments to Gas Transmission Charging Regime.** This Modification 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 is now under full consideration following June's panel meeting, with reporting back to Panel expected in January 2018.
- In August and September, additional workgroup meetings and sub group meetings are scheduled as below. Information on sub groups can be obtained from: box.transmissioncapacityandcharging@nationalgrid.com

Date	Meeting	Key topic to discuss
08 August 2017	Sub Group	Interruptible
23 August 2017	NTSCMF	Interruptible
24 August 2017	Sub Group	Existing Contracts
05 Sept 2017	NTSCMF	Existing Contracts
08 Sept 2017	Sub Group	Forecasted Contracted Capacity
12 Sept 2017	Sub Group	Avoiding inefficient bypass of the NTS
19 Sept 2017	Sub Group	Multipliers / Interruptible
26 Sept 2017	NTSCMF	FCC, Avoiding inefficient bypass of the NTS, Multipliers / Interruptible
28 Sept 2017	Sub Group	<i>To be confirmed</i>

Committees Update

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

- Members noted that there were no significant issues identified in the Operational Report.

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

- There were no representations received on the Non-Daily Metered (NDM) proposals for gas year 2017/18.
- DESC approved the Non-Daily Metered (NDM) proposals for gas year 2017/18 and these now become the final proposals.
- This now concludes the industry consultation process for this year's proposals.

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

- **Performance Assurance Framework Administrator (PAFA)** appointed and the mobilisation programme is underway. An introduction presentation is published at the above link.
- **Estimated readings not being provided for DM sites**
 - PAC would like to thank those organisations for responding to their request for information.
 - PAC is concerned about the slow progress to correct the previously advised DM site issues and will be asking impacted organisations to provide a plan on their approach to clear the outstanding DM issues – it is anticipated that the DM issues should be resolved as soon as possible. Where no response is received, PAC intends to escalate the issue to CEOs and is keeping Ofgem aware of the situation on individual Shipper positions.
- **Following PAC consideration of the Performance Assurance Schedule 1 Reports:**
 - Ofgem have requested PAC to deal with Sites requiring a specific Correction Factor which are recorded with standard Correction Factor, such sites are to be investigated further by PAC. Shippers are urged to review their portfolios or contact their MAMs to ensure Correction Factors are correct.
- **Work Plan and budget consultation document in progress**
 - Following further discussions on the content and scope of the Workplan, PAC aims to conclude the document so that it can be issued to consultation after the next meeting.

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

- In July, the priorities for the change/defect backlog and approved the UK Link Future Release Prioritisation Approach were finalised.
- Both the Change and Contract Committees received an update from Ofgem on the transitional governance arrangements post Nexus, and the switching program
- The Credit Committee noted that the process appears to have bedded in quickly and no significant issues had been reported.

Things to Note...

- **Joint Office Appointment of new C.E.O.**
 - Penny Garner has been appointed to be the next Chief Executive of the JO. Penny joined us on 01 August and will be attending as many meetings as possible over the coming weeks, ahead of taking over her full responsibilities on 01 September.
- **Joint Office accommodation**
 - The new office has been delayed due to factors beyond our control. Until further notice, we will continue to use London venues and Lansdowne Gate in Solihull for scheduled meetings. We continue to have a temporary office near Warwick available should short-notice needs arise.
- **2017-18 UNC User Representatives Process**
 - Nominations for User Representatives has now closed.
 - An election process has commenced for **the Panel / UNCC**, which provide the overarching governance for most UNC matters. All parties who have registered a Single Point of Contact – (SPoC; see <http://www.gasgovernance.co.uk/elections> for a list) are encouraged to vote. An election form is also available on the above link.
 - Further nominations have been requested for the remaining vacant positions on the

Energy Balancing Credit Committee. This is an important committee, since it protects the integrity of the credit arrangements and it is in all parties' interests to have a full and broad membership. The commitment is to a monthly meeting, often by teleconference, to consider credit matters across the industry. If you are interested in supporting, please see your SPoC.

- All other sub-committees are now fully staffed and we will announce the appointed Representatives at the end of the whole process.
- For more information please refer to the guidelines published at:
<http://www.gasgovernance.co.uk/elections>.
- **Update on Ofgem's initial consultation on implementing the CMA's recommendations for industry code governance: Responses summary and next steps** – On 27 July 2017, Ofgem published an update on their initial consultation on implementing the CMA's recommendations for industry code governance. The update provides a summary of the 41 consultation responses received and sets out their next steps in terms of policy development. A workshop to discuss their strategic direction for industry codes, and the proposed consultative board is planned for the Autumn.
- **Withdrawn Modification(s)**
 - None this month



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