

Joint Office

of Gas Transporters

JANUARY 2018 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....

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Meet the Joint Office of Gas Transporters Team.
<https://www.gasgovernance.co.uk/jointoffice/staff>

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Implementation Dates Coming Up		
UNC Ref	Title	Date
0627S	<i>Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Exit connections</i>	17 January '18

Consultation Close-Out Dates		www.gasgovernance.co.uk/consult
0623	<i>Governance Arrangements for Alternatives to Self-Governance Modification Proposal</i>	17 January '18
0633V 0638V	<i>Mandate monthly read submission for Smart and AMR sites from 01 February (April) 2018</i>	11 January '18

Urgent Modifications discussed at December Panel	
For a summary of the content of these modifications, see Pre-Panel Briefing Note at: https://www.gasgovernance.co.uk/panel/211217	
0642 – (Urgent) Changes to settlement regime to address Unidentified Gas Issues. www.gasgovernance.co.uk/0642	<ul style="list-style-type: none"> • Urgency Approved.
0643 – (Urgent) Changes to settlement regime to address Unidentified Gas issues including retrospective correction. www.gasgovernance.co.uk/0643	<ul style="list-style-type: none"> • Urgency Approved.
New Modifications discussed at December Panel	
0621A – Amendments to Gas Transmission Charging Regime www.gasgovernance.co.uk/0621	<ul style="list-style-type: none"> • Accepted as an alternate to Modification 0621. • Issued to Workgroup 0621 workgroup. • Report to Panel by 15 March 2018.
0621B – Amendments to Gas Transmission Charging Regime www.gasgovernance.co.uk/0621	<ul style="list-style-type: none"> • Accepted as an alternate to Modification 0621. • Issued to Workgroup 0621 workgroup. • Report to Panel by 15 March 2018.
0639R – Review of AUGE Framework and Arrangements www.gasgovernance.co.uk/0639	<ul style="list-style-type: none"> • Issued to a stand-alone Workgroup for Assessment. • First meeting is 31 January 2018. • Report to Panel by 15 March 2018.

<p>0640S – Provision of access to Domestic Consumer data for Suppliers www.gasgovernance.co.uk/0640</p>	<ul style="list-style-type: none"> • Self-Governance Approved. • Issued to Workgroup for Assessment. • First workgroup meeting 05 January 2018 (Distribution Workgroup). • Report to Panel by 15 February 2018.
<p>0641S – Amendments to Modification 0431-Shipper/Transporter – Meter Point Portfolio Reconciliation rules and obligations www.gasgovernance.co.uk/0641</p>	<ul style="list-style-type: none"> • Self-Governance Approved. • Issued to Workgroup for Assessment. • First workgroup meeting 05 January 2018 (Distribution Workgroup). • Report to Panel by 15 February 2018.
<p>0644 – Improvements to nomination and reconciliation through the introduction of new EUC bands and improvements in the CWV. www.gasgovernance.co.uk/0644</p>	<ul style="list-style-type: none"> • Authority Direction Approved. • Issued to Workgroup 0644 for Assessment. • First Workgroup meeting 04 January 2018. • Report to Panel by 19 April 2018.
<h3>Workgroup Reports discussed at December Panel</h3>	
<p>Request 0549R – Meter Reading Submission for Advanced and Smart Metering www.gasgovernance.co.uk/0549</p>	<ul style="list-style-type: none"> • Panel agreed that this workgroup should be closed as no further work was required.
<p>Modification 0619 0619A 0619B - Application of proportionate ratchet charges to daily metered sites www.gasgovernance.co.uk/0619</p>	<ul style="list-style-type: none"> • Panel agreed to send back to Workgroup for further assessment. • Report to Panel by 18 January 2018.
<p>Modification 0623 – Governance Arrangements for Alternatives to Self Governance Modification Proposals www.gasgovernance.co.uk/0623</p>	<ul style="list-style-type: none"> • Issued to Consultation. • Deadline for responses 5pm on 17 January 2018. • Report to Panel by 15 February 2018.
<h3>Variation Requests discussed at December Panel</h3>	
<p>Modification 0633 – Mandate monthly read submission for SMART and AMR sites from 01 December 2017 www.gasgovernance.co.uk/0633</p>	<ul style="list-style-type: none"> • The variation request was considered and determined to be material. • Replaced by Modification 0633V. • Authority Direction approved. • Legal text requested. • Issued to Consultation. • Deadline for responses 5pm on 11 January 2018. • Report to Panel by 18 January 2018.
<p>Modification 0638 – Mandate monthly read submission for SMART and AMR sites from 01 April 2018 https://www.gasgovernance.co.uk/0638</p>	<ul style="list-style-type: none"> • The variation request was considered and determined to be material. • Replaced by Modification 0638V. • Authority Direction approved. • Legal text requested. • Issued to Consultation. • Deadline for responses 5pm on 11 January 2018. • Report to Panel by 18 January 2018.

Final Modification Reports discussed at December Panel

Modification 0627S – Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Exit connections

www.gasgovernance.co.uk/0627

- Panel unanimously recommended that this Modification should be implemented.
- Implementation date 17 January 2018.

Distribution Workgroup Headlines

www.gasgovernance.co.uk/dist

- **Pre-Modification** – *Amendments to the Performance Assurance Reports Register (PARR)*. The Workgroup noted the proposed changes to the PARR scheduled and agreed that this Modification if raised would be suitable to be issued to consultation.
- **0619** - *Application of proportionate ratchet charges to daily read sites*; **0619A** - *Protection from ratchet charges for daily read customers with an AQ of 732,000kWh and below* and **0619B** - *Application of proportionate ratchet charges to daily read sites*. Following a review of the amended Modifications and legal text, the Workgroup concluded the report with a recommendation that these Modifications should be issued to consultation. The report is to be presented to the January 2018 Panel
- **0632S** – *Shipper asset details reconciliation*. The Workgroup noted that there were existing UNC obligations for the provision of meter asset details. However, these might not be sufficient for Smart meters or AMR equipment. It was noted that the proposer intends to consider a potential change to the iGT UNC once the solution in UNC0632S is robust. The Workgroup agreed further assessment is required.
- **0635** – *Reforms to incentivise accurate and timely DM reads to improve the accuracy of Unidentified Gas allocation*. The Workgroup discussed the amended Modification and how the parties incentive payments would be distributed. A draft alternate Modification was presented which would transfer Transporter obligations for the provision of DM reads to Shippers. The Workgroup concluded that further assessment was required.
- **0640S** - *Provision of access to Domestic Consumer data for Suppliers*. The Workgroup noted that this Modification proposed to allow access to domestic consumer data by Suppliers and were content that the provisions put in place for Price Comparison Websites could be used in this example. The Workgroup aim to conclude the Report at the next meeting.
- **0641S** - *Amendments to Modification 0431 - Shipper/Transporter - Meter Point Portfolio Reconciliation rules and obligations*. The Workgroup noted that this Modification proposed to change the notice periods for a reconciliation exercise and to revert back to Transporters being data controllers for this data. The Workgroup aim to conclude the Report at the next meeting.

Others Issues

- Proposed Changes to the “*Framework for the Appointment of an Allocation of Unidentified Gas Expert*”, the Workgroup noted the proposers intention to submit the proposed amendments to UNCC for approval. However, there were mixed views as to the merits of the changes and no overall consensus to recommend the changes should be made.
- *Revised estimation process for DM sites with D-7 zero consumption*. The Workgroup noted that analysis of the implemented process was being undertaken and a report is to be presented to the next meeting.

Other Workgroups

- **0624R** - *Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address data*. The Workgroup received a high level summary of the responses received to the Request For Information (RFI) exercise. It was agreed that further information should be requested and that Panel should be requested to extend the reporting date to March 2018.

- **0630R** - *Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme.* The focus of the first meeting was to review a draft Business Requirement Document (BRD) and an initial list of issues for consideration. The next meeting is planned for 26 January 2018.
- **0631R** - *Review of NDM algorithm post-Nexus.* The next meeting is planned to be held on the same day as the next DESC meeting (13 February 2018) and is to concentrate on analysis of EUC and WAR bands, WAR Band performance, and Allocation versus Reconciliation analysis.

Transmission Workgroup Headlines

www.gasgovernance.co.uk/tx

This Workgroup meets on the first Thursday of every month and currently covers the following topics:

- **Pre-Modification** - *Amending the Oxygen content limit in the Network Entry Agreement at South Hook LNG.* This modification would enable an increase to the oxygen content limit of gas permitted by the Network Entry Agreement at South Hook LNG.
- **Project CLoCC** (Customer Low Cost Connections) is focussing on customer low cost connections to the NTS:
 - **0628S** - *Standard Design Connections: PARCA process* (Proposer National Grid NTS). Process design was the primary focus this month. Fees were discussed this month and some changes are now expected to the Modification to reflect discussions to date. This Modification is due to report to the May 2018 Panel.
 - **0629S** - *Standard Design Connections: A20 connection process* (Proposer National Grid NTS). Charging was discussed this month and some changes are now expected to the Modification to reflect discussions to date. This Modification is due to report to the May 2018 Panel.
- The Workgroup received updates on the Industrial Emissions Directive, National Grid's Gas Quality consultation and Unidentified Gas Issues (National Grid NTS confirmed that no links had been found between UIG and a recent increase in the number of National Grid balancing actions).

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCMF)

- The meeting reviewed DN revenue reports, noting there were a number of points to be considered such as the impact of inflation, UIG, Supplier of Last resort issue and the current NTS charging methodology review that indicates potentially significant increases to GDN exit capacity prices. A further update is to be provided at the next meeting.
- The next quarterly DN Revenue reports will be published at: www.gasgovernance.co.uk/DNRevenueReports/2018 and these will be reviewed at the DNCMF on 27 March 2018.

NTS Charging Methodology Forum (NTSCMF) www.gasgovernance.co.uk/ntscmf

- **0621** - *Amendments to Gas Transmission Charging Regime* was considered at NTSCMF in December 2017 and further Workgroup meetings on 14 December and 20 December 2017. An amended Modification was published on 21 December 2017.
 - This Modification will request an extension and will now report back to the March 2018 instead of the January 2018 UNC Panel.
 - Two alternates 0621A and 0621B (both entitled Amendments to Gas Transmission Charging Regime) were presented to the December 2017 Panel and will be considered at Workgroups in January 2018. 0621A proposes an 86% specific capacity (storage) discount and no revenue recovery for entry or exit at storage points. 0621B proposes no transition period and an 86% specific capacity (storage) discount.
- **0636** - *Updating the parameters for the NTS Optional Commodity Charge* was considered on 18 December 2017 and after the Transmission Workgroup meeting on the 04 January 2018. The key focus at these meetings was the development of the Workgroup report. Although good progress is being made in this regard, an extension is to be sought at the January 2018 UNC Panel.

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

This Workgroup has been established to discuss Modifications related to UIG:

- **Pre-Modification** - None discussed
- **UNC 0642 (Urgent)** - Changes to settlement regime to address Unidentified Gas issues. The main focus of the meeting was to understand the drivers for urgency and what information could be provided in the time allowed for the Modification to be assessed at Workgroup. It was noted that a legal text meeting was planned to be held prior to the next Workgroup meeting. It was also noted that an alternate Modification has been proposed and it is anticipated it would be issued to this Workgroup to follow the same timeline.
- **UNC 0643 (Urgent)** - Changes to settlement regime to address Unidentified Gas issues including retrospective correction. It was noted that this Modification should be considered as an alternate to UNC 0642 and that the Workgroup should produce a single report including UNC 0642, 0643 and any other alternates.
- **UNC 0644** - Improvements to nomination and reconciliation through the introduction of new EUC bands and improvements in the CWV. It was noted that this Modification was not following Urgent procedures as it was anticipated that DESC would need to provide supporting analysis to allow the Modification to be concluded. The Workgroup agreed further assessment was required.

Committees Update

Energy Balancing Credit Committee (EBCC) www.gasgovernance.co.uk/EBCC

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

Demand Estimation Sub-Committee (DESC) www.gasgovernance.co.uk/desc

- The next meeting is scheduled for 13 February 2018 to discuss the Evaluation of Algorithm Performance for Gas Year 2016/17 – Strand 4 Reconciliation Analysis and the EUC Modelling Approach for Spring 2018.

Performance Assurance Committee (PAC) www.gasgovernance.co.uk/PAC

- PAC held a closed meeting on 09 January 2018. The main topic for discussion was the review and approval of changes to the Risk Register, that were made following consultation. Discussions were also had on the anonymity of performance reports and what details could be shared with PAC. With this in mind PAC are considering raising an enabling Modification to allow them to be more dynamic in their performance assurance work.

Data Service Contract (DSC) Committees www.gasgovernance.co.uk/DSC-CDSP

- **DSC Change Management Committee** met on 13 and briefly via t-con on 15 December 2017.
 - Four new changes were issued to consultation, trialling a new process suggestion. Improvements in change proposal documentation and timings were discussed. Budget for UIG-related changes in 2018 was discussed.
 - A new change register will be presented in January. Four slightly contentious changes, all currently in scope for R2, required more time to debate and were thus deferred until January. It was agreed January's meeting would be scheduled for a longer period.
- **DSC Contract Management Committee** cancelled the December 2017 meeting and instead regular updates were published on the Joint office website with discussion deferred until January.
- **DSC Credit Committee** continues to monitor payment performance with no significant issues being reported.

Things to Note...

- We are delighted to welcome Mark Shurmer as the new independent Panel Chair; his first meeting is 18 January 2018.
- **Withdrawn Modification(s)**
 - None this month.

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