

# Joint Office

## of Gas Transporters

### June 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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<b>Implementation Dates</b>		
<b>UNC Ref</b>	<b>Title</b>	<b>Date</b>
<b>0641S</b>	Amendments to Modification 0431 - Shipper/Transporter - Meter Point Portfolio Reconciliation rules and obligations	11 June 2018
<b>0645S</b>	Amending the oxygen content limit in the Network Entry Agreement at South Hook LNG	11 June 2018
<b>0648S</b>	End dating the revised DM Read estimation process introduced by Modification 0634	11 June 2018

<b>Consultation Close-Out Dates</b>		<a href="http://www.gasgovernance.co.uk/consult">www.gasgovernance.co.uk/consult</a>
<b>0636</b>	0636/A/B/C/D - Updating the parameters for the NTS Optional Commodity Charge	14 June 2018
<b>0621</b>	0621/A/B/C/D/E/F/H/J/K/L – Amendments to Gas Transmission Charging Regime	22 June 2018

<b>Urgent Modifications discussed at May 2018 Panel</b>	
None	
<b>New Modifications discussed at May 2018 Panel</b>	
0656 - Changes to Modification Panel arrangements <a href="https://www.gasgovernance.co.uk/0656">https://www.gasgovernance.co.uk/0656</a>	<ul style="list-style-type: none"> <li>▪ This Modification will be under Authority Direction.</li> <li>▪ This Modification will be considered within the 0656 workgroup, which will be held on the same day as the Governance Workgroup.</li> <li>▪ Initial representations for consideration at workgroup are requested no later than 08 June.</li> <li>▪ Workgroup report to be presented by 19 July Modification Panel.</li> </ul>
0657S - Adding AQ reporting to the PARR Schedule reporting suite <a href="https://www.gasgovernance.co.uk/0657">https://www.gasgovernance.co.uk/0657</a>	<ul style="list-style-type: none"> <li>▪ This Modification will follow self-governance procedures.</li> <li>▪ This Modification will be considered within the Distribution Workgroup.</li> <li>▪ Initial representations for consideration at workgroup are requested no later than 08 June.</li> <li>▪ Workgroup report to be presented by 16 August Modification Panel.</li> </ul>
<b>Workgroup Reports discussed at May 2018 Panel*</b>	
0621/A/B/C/D/E/F/H/J/K/L – Amendments to Gas Transmission Charging Regime <a href="https://www.gasgovernance.co.uk/0621">https://www.gasgovernance.co.uk/0621</a>	<ul style="list-style-type: none"> <li>▪ Issued to Consultation which closes on 22 June 2018.</li> <li>▪ The Final Modification Report will be presented to the 19 July Modification Panel.</li> </ul>

<p>0639R – Review of AUGÉ Framework and Arrangements <a href="https://www.gasgovernance.co.uk/0639">https://www.gasgovernance.co.uk/0639</a></p>	<ul style="list-style-type: none"> <li>▪ Panel accepted the recommendations of the Request Workgroup Report and determined that this Modification be returned to the Workgroup for further assessment.</li> <li>▪ A Report is to be presented by 16 August Modification Panel.</li> </ul>
<p>0636/A/B/C/D - Updating the parameters for the NTS Optional Commodity Charge <a href="https://www.gasgovernance.co.uk/0636">https://www.gasgovernance.co.uk/0636</a></p>	<ul style="list-style-type: none"> <li>▪ *Extraordinary Panel meeting held on 23 May 2018</li> <li>▪ Issued to Consultation which closes on 14 June 2018.</li> <li>▪ The Final Modification Report will be presented to the 21 June Modification Panel.</li> </ul>
<p><b>Variation Requests discussed at May 2018 Panel</b></p>	
<p>None</p>	
<p><b>Final Modification Reports discussed at May 2018 Panel</b></p>	
<p>0641S – Amendments to Modification 0431 - Shipper/Transporter - Meter Point Portfolio Reconciliation rules and obligations <a href="https://www.gasgovernance.co.uk/0641">https://www.gasgovernance.co.uk/0641</a></p>	<ul style="list-style-type: none"> <li>▪ No new issues were identified.</li> <li>▪ Implementation was unanimously supported.</li> <li>▪ To be implemented 11 June 2018.</li> </ul>
<p>0645S – Amending the oxygen content limit in the Network Entry Agreement at South Hook LNG <a href="https://www.gasgovernance.co.uk/0645">https://www.gasgovernance.co.uk/0645</a></p>	<ul style="list-style-type: none"> <li>▪ No new issues were identified.</li> <li>▪ Implementation was unanimously supported.</li> <li>▪ To be implemented 11 June 2018.</li> </ul>
<p>0648S – End dating the revised DM Read estimation process introduced by Modification 0634 <a href="https://www.gasgovernance.co.uk/0648">https://www.gasgovernance.co.uk/0648</a></p>	<ul style="list-style-type: none"> <li>▪ No new issues were identified.</li> <li>▪ Implementation was unanimously supported.</li> <li>▪ To be implemented 11 June 2018.</li> </ul>

<p><b>Distribution Workgroup Headlines</b></p>	<p><a href="http://www.gasgovernance.co.uk/dist">www.gasgovernance.co.uk/dist</a></p>
<ul style="list-style-type: none"> <li>• <b>Pre-Modifications</b> <ul style="list-style-type: none"> <li>○ Draft Modification – Transfer Class 2 and 3 sites to Class 4. The Workgroup considered the Draft Modification and concerns were raised as to the likely actions and consequences should the modification be implemented. The proposer agreed the modification should be reviewed further including additional discussions at PAC before progressing it further.</li> </ul> </li> <li>• <b>0647</b> - Opening Class 1 reads to Competition. This modification was not discussed at this meeting.</li> <li>• <b>0649S</b> - Update to UNC to formalise the Data Enquiry Service Permissions Matrix. It was noted that discussions on the content of this modification were still ongoing at the DSC Change Management Committee. Consideration was deferred to the June meeting.</li> <li>• <b>0651</b> – Replacement of the Retrospective Data Update provisions. There was further consideration of the proposed process timescales and data items. It was noted that an Xoserve operational meeting was in progress to discuss the implementation requirements for RAASP and it was agreed that discussions concerning the output of the operational meeting and Legal Text for this modification should be considered at the next meeting.</li> <li>• <b>0655</b> - Requiring a Meter Reading following a change of Local Distribution Zone or Exit Zone. The Workgroup considered the Modification and agreed that it would be beneficial if the</li> </ul>	

Modification remained 'on hold' for the time being whilst the matter is discussed in more detail with the DSC Change Management Committee for their view on the most appropriate governance route to follow.

- **0657S** - Adding AQ reporting to the PARR Schedule reporting suite. The Workgroup considered the Panel questions and agreed that there was a lack of evidence demonstrating a need for unanonimised data and associated control processes. The proposer agreed to review the issues raised with PAC as this modification had been raised on their behalf.

#### Other Workgroups

- **0630R** - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme. It was agreed that the focus of the next meeting on 29 June 2018 would be to consider updates from the DSC Committees, DSG and Ofgem Consultation. Consideration would also be given to concluding the Workgroup Report.
- **0639R** - Review of AUGE Framework and Arrangements. The Workgroup agreed that consequential changes to the AUGE Framework Guidelines and associated timeline could be progressed through the UNCC after the next meeting on the 8 June 2018. However, a reporting extension has been provided to allow the Workgroup to also review the contractual framework.

### Transmission Workgroup Headlines

[www.gasgovernance.co.uk/tx](http://www.gasgovernance.co.uk/tx)

- Transmission workgroup was rescheduled to 16 May 2018 to allow for enhanced consideration of the time-constrained 0621 suite of charging Modifications.
- **0628S** - *Standard Design Connections: PARCA process* (Proposer National Grid NTS). Portal status was confirmed, process flow diagrams were reviewed and a request made for confirmation of the timelines and worked examples. The Workgroup will finalise all items so that the Workgroup report can be sent to the June Modification Panel.
- **0629S** - *Standard Design Connections: A2O connection process* (Proposer National Grid NTS). Legal Text was reviewed and relevant objectives considered. The Workgroup will finalise all items so that the Workgroup report can be sent to the June Modification Panel.
- **0653** – *Updating the parameters for the NTS Optional Commodity Charge – Introducing the NTS Optional Capacity Charge* (Proposer Centrica). Centrica has raised this modification in response to several concerns in Modification 0636, though Panel did not consider 0653 to be a true alternative. The concerns are 1) that the solution for Modification 0636 is interim, 2) there is discrimination of gas flows at Interconnection Points, which gives a different economic outcome for IPs and non-IPs, 3) there is uncertainty as to whether 0636 is compliant with the EU Tariff Code, and 4) in all of the proposals (Modification 0636 and its Alternatives), the full methodology will not be contained within the UNC itself.
  - The solution proposed by 0653 will introduce an optional capacity charge. A ROM has been requested from Xoserve. National Grid have been tasked with providing analysis. This Modification will now report to the July Modification Panel.  
<https://www.gasgovernance.co.uk/0653>

### Charging Methodology Forums

#### Distribution Network Charging Methodology Forum (DNCMF)

- The next quarterly DN Revenue reports will be published at: [www.gasgovernance.co.uk/DNRevenueReports/2018](http://www.gasgovernance.co.uk/DNRevenueReports/2018) and these will be reviewed at the DNCMF on 26 June 2018.

#### NTS Charging Methodology Forum (NTSCMF) [www.gasgovernance.co.uk/ntscmf](http://www.gasgovernance.co.uk/ntscmf)

- **0621/0621A/0621B/0621C/0621D/0621E/0621F/0621H/0621J/0621K/0621L** - *Amendments to Gas Transmission Charging Regime:*
  - Final Workgroup meeting was on Tuesday 08 May 2018.

- **Very many thanks to all those involved in this unprecedented Workgroup.**
- Legal Text was published on 18 May 2018; 0621C Legal Text updated on 12 June 2018.
- Some updated analysis published on 13 June 2018, following National Grid - led workshops on 30 May and 04 June.
- This suite of Modifications is now at consultation stage, closing out on 22 June 2018.
- <https://www.gasgovernance.co.uk/0621>
- Preliminary EU consultation (under Article 26 EU Tariff Code) is also underway, closing out on 13 July 2018. Please contact [box.transmissioncapacityandcharging@nationalgrid.com](mailto:box.transmissioncapacityandcharging@nationalgrid.com) for more details.

## UIG Workgroup Headlines

[www.gasgovernance.co.uk/UIG](http://www.gasgovernance.co.uk/UIG)

- **0644** - *Improvements to nomination and reconciliation through the introduction of new EUC bands and improvements for the ALP and DAF.* It was noted that the modification scope had been amended to allow for quicker progression, although this would mean a transitional process until **Modification 0659** - *Improvements to the Composite Weather Variable* was progressed. It was agreed to consider the legal text and conclude the Workgroup Report at 11 June 2018 meeting.
- **0652** - *Obligation to submit reads and data for winter consumption calculation (meters in EUC bands 3 – 8).* The Workgroup reviewed the amended modification and provided analysis. It was anticipated that a further iteration of the modification was required before a ROM and Legal text could be requested.
- **0654** - *Mandating the provision of NDM sample data.* The Workgroup discussed the proposed mandating of NDM samples data; it was noted that the proposed minimum qualifying portfolio size should be reduced from 50,000 to 25,000 supply points. It was noted that as there were no system changes a ROM would not be required and it was anticipated the Workgroup Report could be concluded at the next meeting.

## Committees Updates

### Energy Balancing Credit Committee (EBCC) [www.gasgovernance.co.uk/EBCC](http://www.gasgovernance.co.uk/EBCC)

- At the May meeting a 12 month review was conducted, highlighting that although some challenges were experienced during the winter period, security renewals remained at 100%, and the impact on cash calls was minimal. The Xoserve credit team had undergone some re-organisation, and had also been successful with obtaining reaccreditation from the Chartered institute of Credit Management (CICM).

### Demand Estimation Sub-Committee (DESC) [www.gasgovernance.co.uk/DESC](http://www.gasgovernance.co.uk/DESC)

- At the May meeting, the DESC Technical Workgroup reviewed the results from the proposed modelling runs and agreed to take forward based on aggregations/WAR band definitions.

### Performance Assurance Committee (PAC) [www.gasgovernance.co.uk/PAC](http://www.gasgovernance.co.uk/PAC)

- At the meeting on the 08 May 2018, The Performance Assurance Committee (PAC) considered and agreed the proposed amendment to its Terms of Reference which will be taken forward to the Uniform Network Code Committee (UNCC) at its next meeting in May. Other key points included:
  - The PAC discussed the draft modification wording for adding Annual Quantity (AQ) reporting to the Performance Assurance Reports Register (PARR) reporting suite.
  - The Assurance Framework Administrator (PAFA) presented wording on a draft modification for the amendment of PARR permissions to allow update requests from PAC with UNCC approval.
  - Conversations were had by the PAC around incentivisation of positive performance in the industry and challenges to be addressed for an effective process to be in place.
  - Xoserve presented a draft letter to be sent to all Daily Metered (DM) Shippers still with outstanding actions relating to Pot 1 consumption adjustments for PAC consideration

- The next face to face meeting will take place on 12 June 2018.

#### Data Service Contract (DSC) Committees [www.gasgovernance.co.uk/DSC-CDSP](http://www.gasgovernance.co.uk/DSC-CDSP)

- **DSC Change Management Committee**
  - Good progress continues to be made for the June 2018 Release 2 and November 2018 Release 3. For Release 2; the UAT phase is being completed and the customer training material is being considered at DSG and will be provided on the Xoserve website once complete.
- **DSC Credit Committee**
  - At the May meeting a review of 2017/18 was conducted, including the Credit Risk Annual Review. A number of changes have been made since implementation of the DSC/CDSP, including the removal of security requirements for Networks, the expansion of acceptable published rating agencies, the use of credit limits based on maximum indebtedness, the escalation of late payment via email and late payment charges for recurring late payers.
- **DSC Contract Management Committee**
  - 'Key Issues' are now included in the KPI summary report to allow updates to be provided to the Committee. The following issues are currently being reported upon:
    - Daily energy allocations
    - AML/ASP invoicing
    - CMS (root cause analysis)
    - Must reads
    - AMT issues

#### Things to Note...

- **UNC Elections - Single Points of Contact (SPoCs) for 2018-19 registration**
  - 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>. The deadline for submission of your SPoC is 22 June 2018.
- **Panel Membership** - Following the resignation of a Shipper User Member, SPoCs were requested to nominate a new Panel Member to stand from 21 June to 30 September 2018. Nominations closed on 01 June 2018.
- **PAC Membership** – Following approval of the amended PAC Terms of Reference by the UNCC, SPoCs were requested to nominate up to four additional Shipper Members. Nominations closed on 01 June 2018.



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