

Joint Office

of Gas Transporters

August 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....

Need Help? Or want to Contact Us?

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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		
UNC Ref	Title	Date
0628S	Standard Design Connections: PARCA process	30 October 2018
0629S	Standard Design Connections: A20 connection process modification	30 October 2018

Consultation Close-Out Dates		www.gasgovernance.co.uk/consult
0651	Changes to the Retrospective Data Update Provisions	09 August 2018

Urgent Modifications discussed at July 2018 Panel	
None	
New Modifications discussed at July 2018 Panel	
0661R – Reconciliation and Imbalance Cash Out prices https://www.gasgovernance.co.uk/0661	<ul style="list-style-type: none"> A new Workgroup has been established. Workgroup Report 0661R is to be presented by 19 March 2019 Modification Panel.
0663S – Extending the data comprised under the definition of Supply Point Premises Data (TPD V5.18.1) https://www.gasgovernance.co.uk/0663	<ul style="list-style-type: none"> Modification 0663 will follow Self-Governance procedures. Modification 0663S will be considered within the Distribution Workgroup. Initial representations for consideration at Workgroup are requested no later than 08 August. Workgroup Report 0663S to be presented by 20 September 2019 Modification Panel.
Modifications for Reconsideration discussed at July 2018 Panel	
0619/A/B - Application of proportionate ratchet charges to daily read sites https://www.gasgovernance.co.uk/0619	<ul style="list-style-type: none"> Members noted that the Final Modification Report had been with Ofgem for decision for 4 months. Ofgem advised that a decision on these Modifications was imminent, but did not have any further information to add at this time.
Workgroup Reports discussed at July 2018 Panel	
0651 – Changes to the Retrospective Data Update provisions https://www.gasgovernance.co.uk/0651	<ul style="list-style-type: none"> Issued to Consultation which closes on 09 August 2018. The Final Modification Report will be presented (<i>at short notice</i>) to the 16 August Modification Panel.

<p>0653 – Updating the parameters for the NTS Optional Commodity Charge – Introducing the NTS Optional Capacity Charge https://www.gasgovernance.co.uk/0653</p>	<ul style="list-style-type: none"> ▪ Panel determined that this Modification is to be returned to the Workgroup for further assessment. ▪ A Report is to be presented by 20 September Modification Panel.
<p>0656 - Changes to Modification Panel arrangements https://www.gasgovernance.co.uk/0656</p>	<ul style="list-style-type: none"> ▪ Panel determined that this Modification is to be returned to the Workgroup for further assessment. ▪ A Report is to be presented by 20 September Modification Panel.
<p>Variation Requests discussed at July 2018 Panel</p>	
<p>None</p>	
<p>Final Modification Reports discussed at July 2018 Panel</p>	
<p>0621/A/B/C/D/E/F/H/J/K/L – Amendments to Gas Transmission Charging Regime https://www.gasgovernance.co.uk/0621</p>	<ul style="list-style-type: none"> ▪ No new issues were identified. ▪ Panel recommended that none of the 0621 Modifications were suitable for implementation by majority vote. ▪ When considering which Modification better facilitates the achievement of the Relevant Objectives: <ul style="list-style-type: none"> ○ Panel Members voted and with 1 vote in favour that proposed Modification 0621 better facilitates the Relevant Objectives than the proposed Modifications 0621A/B/C/D/E/F/H/J/K/L ○ Panel Members voted and with 1 vote in favour that proposed Modification 0621A better facilitates the Relevant Objectives than the proposed Modifications 0621/B/C/D/E/F/H/J/K/L ○ Panel Members voted and with 2 votes in favour that proposed Modification 0621B better facilitates the Relevant Objectives than the proposed Modifications 0621/A/C/D/E/F/H/J/K/L ○ Panel Members voted and with 1 vote in favour that proposed Modification 0621C better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/D/E/F/H/J/K/L ○ Panel Members voted and with 1 vote in favour that proposed Modification 0621D better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/E/F/H/J/K/L ○ Panel Members voted and with 0 votes in favour that proposed Modification 0621E better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/F/H/J/K/L ○ Panel Members voted and with 0 votes in favour that proposed Modification

	<p>0621F better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/E/H/J/K/L</p> <ul style="list-style-type: none"> ○ Panel Members voted and with 0 votes in favour that proposed Modification 0621H better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/E/F/J/K/L ○ Panel Members voted and with 0 votes in favour that proposed Modification 0621J better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/E/F/H/K/L ○ Panel Members voted and with 0 votes in favour that proposed Modification 0621K better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/E/F/H/J/L ○ Panel Members voted and with 0 votes in favour that proposed Modification 0621L better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/E/F/H/J/K. <ul style="list-style-type: none"> ▪ Awaiting Ofgem decision.
<p>0628S – Standard Design Connections: PARCA process</p> <p>https://www.gasgovernance.co.uk/0628</p>	<ul style="list-style-type: none"> ▪ No new issues were identified. ▪ Implementation was unanimously supported. ▪ To be implemented by 30 October 2018.
<p>0629S – Standard Design Connections: A20 connection process modification</p> <p>https://www.gasgovernance.co.uk/0629</p>	<ul style="list-style-type: none"> ▪ No new issues were identified. ▪ Implementation was unanimously supported. ▪ To be implemented by 30 October 2018

<p>Distribution Workgroup Headlines</p>	<p>www.gasgovernance.co.uk/dist</p>
<ul style="list-style-type: none"> • Pre-Modifications <ul style="list-style-type: none"> ○ Draft Modification - Improving the information given to Shippers when there is a requested disconnection. Following a presentation on the draft Modification a number of comments were raised concerning the materiality of the issues and if the UNC was the correct Code to address this issue. The proposer is to consider the comments prior to submission to Panel. • 0647 - Opening Class 1 reads to Competition. There was further discussion of the likely process to be adopted and the impacts of transition and the issues associated with a hard cut over verses a soft cut over. In addition, consideration is to be given where a site fails to transfer by the cut over date. • 0649S - Update to UNC to formalise the Data Enquiry Service Permissions Matrix. It was noted that progress of this modification should be maintained to remove the need for further modifications that were facilitating DSC services. The aim is conclude the Workgroup Report at the August meeting. • 0657S - Adding AQ reporting to the PARR Schedule reporting suite. The Workgroup considered the Panel questions and update the Workgroup Report for submission to the August Panel. • 0660S - Amendment to PARR permissions to allow PAC to update with UNCC approval. No further progress was made with this modification as the proposer is working with the 	

Transporters to develop the Legal text required to support the change.

- **0663S** - Extending the data comprised under the definition of Supply Point Premises Data (TPD V5.18.1) including **IGT UNC 114** - Extending the data available to Suppliers under K24.3(l). The Workgroup noted that this was a Cross Code workgroup due to the similar impact on UNC and IGT UNC.

Other Workgroups

- **0630R** - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme. Conclusion of the Request Workgroup Report is to be conducted via email, prior to submission to the August Panel.
- **0646R** - Review of the Offtake Arrangements Document. The Workgroup is making progress in reviewing a number of issues identified by Transporters including site security, tri-partite agreements, site drawing and maintenance planning.

Transmission Workgroup Headlines

www.gasgovernance.co.uk/tx

- **0662** - *Revenue Recovery at Combined ASEPs*. The Workgroup began developing this Modification and is making progress in reviewing how to calculate any capacity-based revenue recovery charge; in particular, the parameter of “fully adjusted available entry capacity” and how to formulate a process to identify which capacity qualifies for exemption. It was noted that this Modification is addressing issues that would still need to be addressed regardless of which or any of the Modification 0621 variations is implemented.
- Updates were received on EU Gas 2020 Package, EU Data Exchange solutions consultation, EU & GB Charging Project (systems implementation) and the Gemini Sustain Programme.
- The Workgroup briefly considered the Impact of Decommissioned Sites (ISS066) and will continue to look at this issue. The Workgroup noted the potential impacts on licence and that there is a difference in the treatment for decommissioned/dormant compared to extinct sites.
- Updates were provided on Project CLoCC following the implementation of UNC Modifications 0628S and 0629S, the next steps and changes to charges.

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCMF)

- The quarterly DN Revenue Reports were reviewed on 26 June 2018.
- 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 26th September 2018.

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

- **0653** – *Updating the parameters for the NTS Optional Commodity Charge – Introducing the NTS Optional Capacity Charge* (Proposer Centrica). This modification has now been withdrawn by the proposer (<https://www.gasgovernance.co.uk/0653>)

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

- **0652** - *Introduction of winter read/consumption reports and associated obligations*. The Workgroup reviewed the amended modification and provided analysis. It was noted that the amendments would require additional development time and that an interim report recommending a reporting extension would be submitted to Panel.
- **0654** - *Mandating the provision of NDM sample data*. The Workgroup discussed the amended modification, ROM and draft text. The Workgroup Report was concluded for submission to the

August Panel.

- **0659S - Improvements to the Composite Weather Variable.** The Workgroup discussed proposed additional factors to support the analysis and development of the CWV. In addition a timeline to develop and fully analyse the CWV and impacts on models was discussed and if it would be feasible to develop changes in time for gas year 2019/20.

Committees Updates

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

- The August meeting will be the provision of an Operational Update only, subject to no new issues arising.

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

- At the meeting on the 23 July 2018 DESC confirmed the approval of this year's NDM proposals, which concludes the industry consultation for this year. The main aspects are:
 - EUC definitions remain the same as previous years for Gas Year 2018/19.
 - Uplift Factors are to be applied to Annual Load Profiles (ALPs) and Daily Adjustment Factors (DAFs) in line within the revised Demand Estimation Methodology document. These will be used in NDM Nominations and Allocation only.
- DESC also considered the work plan for 2019 ,which will be a busy year as it includes a detailed review of the Composite Weather Variable (CWV) formula and the Seasonal Normal Composite Weather Variable (SNCWV) levels. DESC remains an open forum and welcomes parties interested in this topic area next year.
- At the meeting held on 09 August 2018, DESC approved a further amendment to the Demand Estimation Methodology document to correct an error in a table in Section 3.4.4.

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

- At the meeting on the 10 July 2018, The Performance Assurance Committee (PAC) key points included:
 - The PAC discussed the pre modification for transfer of sites with low read submission performance from Classes 2 and 3 into Class 4 with a view of raising a modification in the near future;
 - The PAC discussed PAC Issue 009 – “Data quality, submission of readings and fluctuations in Unidentified Gas” and associated modifications 0642, 0642A and 0643;
 - Ofgem provided an update on their minded to decision on modifications 0642, 0642A and 0643 in that their current view still stands that the implementation of the proposals would not better facilitate the achievement of the relevant objectives of the UNC;
 - Ofgem also provided an update on the modifications related to PAC Issue 009 stating that the industry focus should be on processes to improve read submission rather than reverse change that has been brought in;
 - A Modification Panel update was provided for Modification 657S - Adding AQ reporting to the PARR Schedule reporting suite, stating that this will be considered by the Distribution Workgroup on 26 July 2018 ;
 - A Modification Panel update was provided for Modification 660 - Amendment to PARR permissions to allow PAC to update with UNCC approval, stating that this will be considered by the Distribution Workgroup on 26 July 2018;
 - The PAC will have a new standing agenda item discussing PAC related modifications and to ensure a relevant monitoring mechanism is captured within modifications relating to performance of settlement;
 - The PAFA provided a collated summary of the Performance Assurance Framework, PRIDe in Gas Model and timelines for implementation of the model;
 - The initial workshop to discuss the PRIDe in Gas Model is arranged for 25 July 2018 to discuss the techniques and progress the plan;
 - The PAFA presented the three finalised PARR reports with analysis on trends;
 - The CDSP stated that 9 of 10 PARR reports will be ready to be published for the August 2018 PAC meeting.

- The next face to face meeting will take place on 06 August 2018.

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

- **DSC Change Management Committee**
 - At the July 11 meeting five new change proposals were discussed. XRN4665 Creation of New End User Categories was approved for delivery for October 2019.
 - The BER for XRN4695 Investigating Causes and Contributors to Levels and Volatility of Unidentified Gas was also approved. This change proposal delivers the changes proposed by Modification 0658, which was approved by Ofgem on the 6th July 2018.
 - Release 2 was implemented at the end of June.
 - Release 3 was reported as an overall RAG status of RED:
 - Track 1 (which has 13 Changes) is making good progress and the redness on the dashboard relates to XRN4454 being behind tracking for the build phase.
 - It was reported that Track 2 (XRN4454) has a number of internal and external changes for the Cadent/National Grid separation, and that the billing process has seen some complexities and greater resources are required to mitigate the build plan. As a result, an extraordinary Change Management Committee was held on Monday 23rd July 2018 and Members voted unanimously for a 01 February implementation date for XRN4454.
- **DSC Credit Committee**
 - The August meeting will be the provision of an Operational Update only, subject to no new issues arising.
- **DSC Contract Management Committee**
 - At the meeting on the 23 July 2018 Xoserve provided details of their response to the Switching Programme Governance Consultation.
 - Xoserve also provided a brief overview of the three responses they received to the BP19 Principles and Approach Consultation. Further engagement on this will commence in October 2018.

Things to Note...

- **2018-19 UNC User Representatives Process**
 - Nominations for User Representatives had been invited for the Panel & Uniform Network Code Committee (UNCC) and numerous Committees. Joint Office can now confirm we have received the following Nominations:
 - 6 nominations for the 6 **UNC Modification Panel** and **UNCC** members but 0 nominations for the 1 Independent Supplier Representative
 - 8 nominations for the 5 **DESC** members
 - 4 nominations for the 9 **EBCC** members
 - 8 nominations for the 9 **PAC** members
 - **DSC Change Management Committee**
 - 3 Shipper Class A for the 2 Shipper Class A available
 - 2 Shipper Class B for the 2 Shipper Class B available
 - 1 Shipper Class C for the 2 Shipper Class C available
 - **DSC Contract Management Committee**
 - 3 Shipper Class A for the 2 Shipper Class A available
 - 2 Shipper Class B for the 2 Shipper Class B available
 - 0 Shipper Class C for the 2 Shipper Class C available

- **DSC Credit Committee**
 - 2 nominations
- We are now holding an election for the following committees with a closing date of 24 August 2018:
 - DESC
 - DSC Change Management Shipper Class A
 - DSC Contract Management Shipper Class A
- We expect to be able to confirm the final position with the UNC elections by the end of September 2018.
- **Panel Membership** – Citizens Advice have nominated Joel Atherton as a Panel Member.



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