

Joint Office

of Gas Transporters

September 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?

Email: enquiries@gasgovernance.co.uk

Tel: 0121 288 2107

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		http://www.gasgovernance.co.uk/consult
0654	Mandating the provision of NDM sample data	07 September 2018
0657S	Adding AQ reporting to the PARR Schedule reporting suite	07 September 2018

Urgent Modifications discussed at August 2018 Panel	
<p>0665 - (Urgent) - Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ) https://www.gasgovernance.co.uk/0665</p>	<ul style="list-style-type: none"> ▪ During Panel, confirmation was received that the request for Urgency had been withdrawn; ▪ Panel determined it should be considered at short notice by unanimous vote; ▪ It is not related to the Significant Code Review by unanimous vote; ▪ The criteria for Self-Governance are not met as this Modification is expected to have a material impact on the contractual arrangements for the transportation of gas, or impact competition between Shippers and Suppliers, by unanimous vote; and ▪ That Modification 0665 be issued to Workgroup 0665 for assessment, with a report to be presented no later than the 17 January 2019 Panel, by unanimous vote.
<p>0666 (Urgent) - Establishment of a CSS Bid Group for CDSP central switching system bid activities https://www.gasgovernance.co.uk/0666</p>	<ul style="list-style-type: none"> ▪ Panel Members determined this Modification should be considered at short notice by unanimous vote; ▪ Recommended that Modification 0666 should follow Urgent Procedures, by unanimous vote.

New Modifications discussed at August 2018 Panel	
<p>0664 – Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4 https://www.gasgovernance.co.uk/0654</p>	<ul style="list-style-type: none"> ▪ Panel Members determined the criteria for Self-governance are not met as this Modification is expected to have a material impact on the contractual arrangements for the transportation of gas, or impact competition between Shippers and Suppliers, by unanimous vote; ▪ Workgroup Report 0664 is to be presented no later than the 20 December 2018 Panel.

Modifications for Reconsideration discussed at August 2018 Panel	
None	
Workgroup Reports discussed at August 2018 Panel	
0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme https://www.gasgovernance.co.uk/0630	<ul style="list-style-type: none"> Panel determined this should be referred back to Workgroup 0630R for further assessment, with a report by the 20 September 2018 Panel.
0652 - Introduction of winter read/consumption reports and associated obligations https://www.gasgovernance.co.uk/0652	<ul style="list-style-type: none"> Panel determined this should be referred back to Workgroup 0652 for further assessment, with a report by the 18 October 2018 Panel.
0654 - Mandating the provision of NDM sample data https://www.gasgovernance.co.uk/0654	<ul style="list-style-type: none"> Panel determined that this Modification should be issued to consultation, with a consultation close date of 07 September 2018, by unanimous vote.
0657S - Adding AQ reporting to the PARR Schedule reporting suite https://www.gasgovernance.co.uk/0657	<ul style="list-style-type: none"> Panel determined that this Modification should be issued to consultation, with a consultation close date of 07 September 2018, by unanimous vote.
Variation Requests discussed at August 2018 Panel	
None	
Final Modification Reports discussed at August 2018 Panel	
0651 – Changes to the Retrospective Data Update provisions http://www.gasgovernance.co.uk/0651	<ul style="list-style-type: none"> Members voted by majority vote not to recommend the implementation of Modification 0651
Distribution Workgroup Headlines	www.gasgovernance.co.uk/dist
<ul style="list-style-type: none"> Pre-Modifications - None discussed. 0647 - Opening Class 1 reads to Competition. There was further discussion of the likely impacts of transition in terms of hard or soft cut over. There were concerns raised as to the potential impacts of read submission failure and possible incentives. 0649S - Update to UNC to formalise the Data Enquiry Service Permissions Matrix. The amended Modification and Legal Text were reviewed. The Workgroup Report was concluded at the IGT UNC Workstream meeting held on 04 September 2018. The Workgroup Report is to be submitted to the September Panel. 0660S - Amendment to PARR permissions to allow PAC to update with UNCC approval. Consideration was given to the proposed amendments to the Modification and if there should be a similar IGT UNC Modification. 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. It was agreed to defer consideration as these Modifications would be superfluous should Modification 0649S be implemented.

Other Workgroups

- **0646R** - Review of the Offtake Arrangements Document. The Workgroup is making progress in reviewing a number of issues identified by Transporters including site security, shared sites, tri-partite agreements, site drawing and maintenance planning.

Transmission Workgroup Headlines

www.gasgovernance.co.uk/tx

- **0662** - *Revenue Recovery at Combined ASEPs*. Progress continued, 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. This Modification will interact with issues arising which will be clarified once Ofgem has decided on which (if any) of the Modification 0621 variations is implemented.
- Updates were received on EU activities including the Gemini Sustain Programme.
- The Impact of Decommissioned Sites (ISS066) was debated further and remains on the agenda.
- Project CLoCC go-live is 30 October 2018.
- Discussion took place with a view to framing a potential Modification covering a review of Gas Security of Supply Notifications and Demand Side Response.

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCMF)

- The next quarterly DN Revenue reports will be published at: <http://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

- Ofgem gave an update on next steps for Modification 0621 and its alternatives and Baringa outline the analysis work they will be undertaking to support Ofgem’s impact analysis. Factors which will be analysed include CWD/CWD square root, Postage Stamp, Forecast with obligated capacity/including historical capacity, storage discount of 50% or 86%, a range of IP discounts. Baringa’s approach will combine tariff modelling using National Grid’s tariff models as the basis and wholesale gas market modelling using Baringa proprietary modelling framework. The Future Energy Scenarios tested will be ‘steady progression’ and ‘Two-degrees’.

A variety of results are expected including:

- Estimated net benefit to GB consumers, estimate of change in overall net welfare in GB, effect of transitional period on supply/demand at different entry and exit points,
- Impact of tariff changes on
 - Gas flows at different entry and exit points, including interconnectors and storage
 - Different points on merit order of NTS gas flows
 - Cost of electricity generation
 - Closure and/or location of infrastructure facilities.
- Impact of specific capacity discounts on flows (especially storage and interconnector).
- Ofgem is working the compliance assessment internally.
- **Pre-Modifications**
 - Review of the charging methodology to avoid the inefficient bypass of the NTS, more

- commonly known as shorthaul. It is hoped this can be undertaken from a fundamental principles point of view. National Grid are working on a draft of the review proposal
- Initial discussion of review of Calculation of PARCA Security.

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

- **Pre-Modifications**
 - Scottish Power provided an overview of the draft 'Incentivise Product Class 4 Read Performance' Modification at the meeting on the 28th August 2018.
- **0652** - *Introduction of winter read/consumption reports and associated obligations.* The Workgroup reviewed the amended Modification, ROM and Legal Text, before updating the Workgroup Report.
- **0659S** - *Improvements to the Composite Weather Variable.* The Workgroup agreed to request a ROM and it was noted that completion of the Workgroup Report by November would require the identification of a potential solution and also the provision of Legal Text.
- **0664** - *Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4.* The Workgroup undertook a review of the Modification and discussed the Panel questions. It is anticipated that the Proposer will submit an Amended Modification to reflect the discussions.
- The next UIG Workgroup meeting is to be held on the 03 October 2018.

Committees Updates

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

- The September meeting is planned for the 24 September.

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

- At the meeting held on 05 September 2018, DESC discussed the closure of Filton Weather Station at the end of September 2018 and agreed to use Yeovilton Weather Station as a substitute.

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

- At the meeting on the 06 August 2018, The Performance Assurance Committee (PAC) key points included:
 - The PAC discussed PAC Issue 010 – “Product Class 2 and 3 failure to submit meter readings” and associated draft Modification for transfer of sites with low read submission performance from Classes 2 and 3 into Class 4;
 - The PAC identified the need to define a process from raising a PAC Risk and developing that into a PAC Issue. The PAFA will provide a process for PAC consideration at the next month’s PAC meeting;
 - A Modification Panel update was provided for Modification 0657S - Adding AQ reporting to the PARR Schedule reporting suite, stating the Modification has been amended following the Distribution Workgroup on 26 July 2018;
 - A Modification Panel update was provided for Modification 0660 - Amendment to PARR permissions to allow PAC to update with UNCC approval, stating that this will be considered by the Distribution Workgroup on 23 August 2018;
 - The PAC discussed Ofgem’s decision letter for Modification 0619/A/B and considered what next steps to take, if any, pending the UNC Panel’s views of the letter;
 - The PAC discussed the CDSP’s set up of the UIG Task Force. The CDSP noted that the creation of the task force will not adversely impact them providing the PAC and PAFA with information and data requests;
 - The PAFA will present the methodology behind the risk model at next month’s PAC

meetings;

- The next PRIDe in Gas Model workshop will take place on 26 September 2018;
- The PAFA didn't present the PARR reports due to the delay in receiving data from the CDSP;
- The next PAC meeting will take place on 11 September 2018.

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

- **DSC Change Management Committee** - at the 08 August meeting:
 - Three new change proposals were discussed;
 - Four new change proposals post initial review were discussed;
 - One Change Proposal XRN4632 Analysis for Gemini enhancements (BER) was approved;
 - Release 2 was implemented at the end of June, although there were a number of minor reporting issues which needed to be resolved.
 - Release 3 Dashboard was considered:
 - Track 1 (which has 13 Changes) is making good progress although there were still a number of concerns relating to XRN4454.
 - Future releases were considered and it was agreed that additional enhancements should be made to the tracker to support prioritising changes, confirmation dates and drop dead dates.
 - XRN4695 UIG Taskforce Update, it was noted that the task force is currently mobilising and more progress updates will be made at future meetings.
- **DSC Contract Management Committee**
 - At the meeting on the 15 August 2018 Xoserve indicated that due internal organisation changes the existing CDSP representatives would be changing and these changes would be confirmed at the September meeting.
 - Further engagement on BP19 will commence in October 2018.
- **DSC Credit Committee**
 - The September meeting is planned for the 24th September.

Things to Note...

- **2018-19 UNC User Representatives Process**

The UNC Panel and Sub Committees nomination process has now closed for 2018-19 and the results are as detailed below:

UNC Panel User Representatives

Andrew Green, Total Gas & Power Ltd
 Dan Fittock, Corona Energy
 Graham Wood, Centrica
 Mark Bellman, ScottishPower
 Richard Fairholme, Uniper
 Steve Mulinganie, Gazprom

UNC Panel Independent Supplier Representative

None

Demand Estimation Sub-Committee (DESC)

Connor Charles, Gazprom
 Jason Blackmore, British Gas
 Lorraine Edgcumbe, E.ON

Louise Hellyer, Total Gas & Power
Mark Jones, SSE

Energy Balancing Credit Committee (EBCC)

Adam Lane, Centrica/British Gas
Paula Sampson, npower
Pauline Babb, SSE
Sallyann Blackett, E.ON

Performance Assurance Committee (PAC)

Carl Whitehouse, First Utility
Graham Wood, Centrica/British Gas
John Welch, npower
Lisa Seycell, Gazprom
Louise Hellyer, Total Gas & Power
Mark Bellman, ScottishPower
Mark Jones, SSE
Sallyann Blackett, E.ON

DSC Change Management Committee

Shipper Class A

James Rigby, npower
Kirsty Dudley, EON

Shipper Class B

Alison Neild, Gazprom
Lorna Lewin, Orsted

Shipper Class C

Shaheeni Vekaria, Plus Shipping/Utility Warehouse (2 votes) (UNC General D Annex D-2 2.2.8b applies)

DSC Contract Management Committee

Shipper Class A

Kirsty Dudley, EON
Mark Bellman, ScottishPower
Oorlagh Chapman, Centrica/British Gas, (UNC General D Annex D-2 2.2.9a applies)

Shipper Class B

Lorna Lewin, Orsted
Steve Mulinganie, Gazprom (2 votes) (UNC General D Annex D-2 2.2.9b applies – 2 votes)

Shipper Class B

No Representatives.

DSC Credit Committee

Adam Lane, Centrica/British Gas
Sallyann Blackett, E.ON



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