

Joint Office

of Gas Transporters

October 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		
UNC Ref	Title	Date
0657S	Adding AQ reporting to the PARR Schedule reporting suite	12 October 2018
0628S	Standard Design Connections: PARCA process	30 October 2018
0629S	Standard Design Connections: A20 connection process modification	30 October 2018
0654S	Mandating the provision of NDM sample data	TBC

Consultation Close-Out Dates		http://www.gasgovernance.co.uk/consult
0649S	Update to UNC to formalise the Data Permissions Matrix	11 October 2018
0656	Changes to Modification Panel arrangements	11 October 2018

Urgent Modifications discussed at September 2018 Panel	
None	
New Modifications discussed at September 2018 Panel	
0668S - Enabling permissions for the provision of information to Alt Han Company to support smart metering roll-out https://www.gasgovernance.co.uk/0668	<ul style="list-style-type: none"> ▪ Panel Members determined the criteria for self-governance are met as this Modification is not expected to have a material impact on the contractual arrangements for the transportation of gas, or impact competition between Shippers and Suppliers, by majority vote; ▪ Workgroup Report 0668S is to be presented no later than the 17 January 2019 Panel.
0669R – Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements https://www.gasgovernance.co.uk/0669	<ul style="list-style-type: none"> ▪ Workgroup Report 0669R is to be presented no later than the 21 March 2019 Panel.
Modifications for Reconsideration discussed at September 2018 Panel	
None	
Workgroup Reports discussed at September 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 18 October 2018 Panel.
0649S – Update to UNC to formalise the Data Permissions Matrix https://www.gasgovernance.co.uk/0649	<ul style="list-style-type: none"> ▪ Panel determined that this Modification should be issued to consultation, with a consultation close date of 11 October 2018, by unanimous vote.
0656 - Changes to Modification Panel arrangements https://www.gasgovernance.co.uk/0656	<ul style="list-style-type: none"> ▪ Panel determined that this Modification should be issued to consultation, with a consultation close date of 11 October 2018, by unanimous vote.
0660S – Amendment to PARR permissions to allow PAC to update with UNCC approval https://www.gasgovernance.co.uk/0660	<ul style="list-style-type: none"> ▪ Panel determined this should be referred back to Workgroup 0660S for further assessment, with a report by the 18 October 2018 Panel.

Variation Requests discussed at September 2018 Panel

None

Final Modification Reports discussed at September 2018 Panel

0654 – Mandating the provision of NDM sample data http://www.gasgovernance.co.uk/0654	<ul style="list-style-type: none"> ▪ Members determined by majority vote that Modification 0654 meets the self-governance criteria. ▪ Members voted unanimously to implement Modification 0654S.
0657S - Adding AQ reporting to the PARR Schedule reporting suite http://www.gasgovernance.co.uk/0657	<ul style="list-style-type: none"> ▪ Members voted unanimously to implement Modification 0657S.

Distribution Workgroup Headlines

www.gasgovernance.co.uk/dist

- **Pre-Modifications** - None discussed.
- **0630R** - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme. It was noted that the Request had been returned to Workgroup to confirm that further work was not required. It was noted that the Switching Programme consequential impacts were likely to be more involved than previously anticipated and that it would be beneficial for the Workgroup to continue with the assesment, with Panel being requested to agree an extension until March 2019.
- **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. However, the proposer and Workgroup were of the opinion that PAC should put in place any required reporting and incentives. There was further discussion concerning the possiblity of transferring Transporter meter reading contracts and assets, with further discussion required to agree a common approach.
- **0660S** - Amendment to PARR permissions to allow PAC to update with UNCC approval. The

Legal text was reviewed and the Workgroup Report was concluded for submission to the October Panel.

- **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. It was agreed to request Panel for an extension to the Workgroup reporting date.
- **0668** - Enabling permissions for the provision of information to Alt Han Company to support smart metering roll-out. The Workgroup reviewed the proposed Privacy Impact Assessment (PIA) and agreed additional risks for inclusion in the PIA.

Other Workgroups

- **0646R** - Review of the Offtake Arrangements Document. The Workgroup is making good progress in reviewing a number of issues identified by Transporters including redundant assets, site security, shared sites, tri-partite agreements, site drawing and maintenance planning.
- **0665** - Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ). The Workgroup discussed the proposals and agreed that a Transporter guidance document was required to define the criteria for a ratchetable supply point. In addition, Transporters proposed an alternative approach where ratchets would only apply on Gas Days where demand exceeded 90% of a 1-in-20 Day.

Transmission Workgroup Headlines www.gasgovernance.co.uk/tx

- **Pre-modifications:**
 - Wales & West Utilities introduced their draft Modification 'Relief from User Commitment obligations when NTS exit capacity substitution is permitted'. The proposed change would allow capacity to be moved between DN offtakes without incurring additional user commitment where the increased level does not require additional NTS investment.
 - 0667 Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC – South Hook Gas indicated that following the Ofgem decision to reject Urgency status, they are intending to submit an amended Modification for discussion at the October Modification Panel, with a proposed 3-month development time.
- **0662** - *Revenue Recovery at Combined ASEPs*. Workgroup reviewed minor clarifications made in response to questions raised at the last meeting. This Modification will require further amendment once Ofgem has decided on which (if any) of the Modification 0621 variations is implemented.
- **0669** - *Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements*. Initial discussions have highlighted more potential issues with the MN arrangements rather than the GDW. Workgroup are looking to identify enhancements to this process as it may be beneficial if a MN is raised ahead of a GDW.

Other Workgroups

- **0661R** – *Reconciliation and Imbalance Cash Out Prices*. Workgroup reviewed the Market Operator verification process, together with an overview of balancing procedures. In addition the proposer presented on overview of the imbalance and reconciliation processes for Non-Daily Metered Gas Sites highlighting where the System Marginal Sell/Buy Price was used and where the System Average Price was used. It was agreed that UIG should be included in the Terms of Reference (scope), together with the DN forecasting. Further work will consider materiality and potentially build further on Solution C. DNs are encouraged to attend.

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCMF)

- The next quarterly DN Revenue reports will be published in December at: <http://www.gasgovernance.co.uk/DNRevenueReports/2018> and these will be reviewed at the DNCMF on 15 January 2019.

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

- **Modification 0621 and alternatives:** Ofgem are due to finish their impact assessment work around the end of October 2018. Workgroup participants were encouraged to contact Ofgem if they have further information which may be useful for Ofgem or Baringa. Additional engagement is also being considered.
- **Pre-Modifications:**
 - 'Review of the charging methodology to avoid the inefficient bypass of the NTS', the full scope of the review will be dependent on the group's feedback. The results of Ofgem's impact assessment of Modification 0621 and its alternatives will need to be taken into account. DN participation is to be encouraged.
- **Forecasted Contracted Capacity (FCC) Update** - National Grid have started to look at how a point specific entry / exit capacity booking forecast can be carried out using a method which is transparent and can be published. The EU Tariff Code is clear that the FCC and assumptions are required to be published. National Grid will be bringing the principles, assumptions and the data to Workgroup to understand how the assumptions may have an impact.
- **Analysis to compliment Modification 0621 Impact Assessment** - more recent contracts signed since April 2017 is sought in order for Energy UK to update its graph on future average prices.

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

- **Pre-Modifications:**
 - Scottish Power provided an overview of the changes made to the draft 'Incentivise Product Class 4 Read Performance' Modification at the meeting on the 03 October 2018, to reflect feedback from the Workgroup in September and it is now to be submitted to the October Panel.
- **0652** - *Introduction of winter read/consumption reports and associated obligations.* The Workgroup reviewed the amended Modification. To allow for a review of the Legal Text, it was agreed that a one month extension is to be requested at the October Panel.
- **0659S** - *Improvements to the Composite Weather Variable.* The Workgroup reviewed the amended Modification and progress with the request of a ROM. It was noted that completion of the Workgroup Report by November would require 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 a number of worked examples on the finer workings of the proposal. They also initiated analysis of the benefits a shipper would receive from being in the wrong class and it is hoped this work will inform the incentive charges aspects of the Modification.
- The next UIG Workgroup meeting is to be held on the 31 October 2018.

Committees Updates

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

- The next meeting is planned for the 22 October 2018.

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

- At the meeting held on 08 October 2018, DESC discussed Model Smoothing Methodology Review and final actions relating to closure of Filton Weather Station.
- The importance of receipt of additional data for the NDM Sample data was emphasised, with thanks to those shippers who had already responded.
- DESC noted that the implementation of UNC Modification 0654 will require all Shippers with a portfolio of greater than 25,000 supply points to actively provide NDM sample data to support the production / review of demand models in the future. This additional data provision will support the objective of making the demand models as accurate as possible in order to improve NDM allocation.
- Modification 0654S has been approved and the implementation date is expected to be agreed at DSC Change Management Committee on 10 October 2018.
- For the Seasonal Normal Review 2020, getting the correct people involved in the DESC Technical Workgroup (DESC TWG) is vital. A number of additional DESC TWG meetings are expected to look at data and analysis and make recommendations to DESC who will make the decisions.
- An initial draft approach document for how the review of CWV Formula and SNCWV values could be carried out will be available to build on at the next meeting on 10 December 2018. Further/additional meeting dates for DESC TWG in 2019 will be discussed at that meeting.

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

Two PAC meetings were held on 26 September and 09 October. The recent key points from PAC can be found at: <http://www.gasgovernance.co.uk/pac/summarykeymessages>. These include:

- All PARR (Performance Assurance Report Register) dashboards are available with performance issues highlighted where relevant.
- Letters from the PAC are being drafted to those shippers causing concern in some performance areas and final decisions will be made in a PAC meeting on 23 October.
- The PAC have identified the need for an additional meeting each month for a period of time. One meeting will focus on PAF development work and the other on performance. The first month of the new format will be November.
- The focus of the Performance meetings will be to analyse the PARR dashboards and the risk register, review performance trends, identify consistent poor performance and make decisions on remedies.
- PAC and Xoserve's Customer team will be working together to engage with shippers and support on specific areas of poor performance.
- A new risk on meter data accuracy following a smart meter installation has been received in draft by PAC and is currently being assessed by the PAFA.

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

- **DSC Change Management Committee** - at the 12 September meeting:
 - 4 new change proposals were approved, 3 change proposals had their Solution and Delivery options approved and 3 CCRs were approved.
 - Release 2 has had its Post Implementation Support period extended to 02 November 2018; however, Xoserve expect it to close down sooner.
 - Release 3 – the 2 delivery tracks are on plan and Market trials have commenced.
 - Future release June 2019 - further discussion was had around the scope of June 2019 release, which is expected to be approved on the 10 October 2018.
 - Updates had also been provided on the CSS consequential change project and XRN4695 UIG Taskforce.
- **DSC Contract Management Committee**
 - At the meeting on 19 September 2018, Xoserve agreed to produce a summary document of the status of the long standing AQ and Invoicing-related system issues and resolution progress.

- Xoserve also introduced the Consent for Disclosure of Information document (for data services to be provided by Xoserve) that the DSC Contract Management Committee will be responsible for approving, following approval of the UNC and IGT UNC Modifications 0649S and 115.
- **DSC Credit Committee**
 - The September meeting is planned for the 22 October 2018. Due to the low Shipper membership of the Committee it has been proposed that its functions move to be part of the DSC Contract Management Committee. This proposal will be discussed at the Contract Management Committee meeting in October.

Things to Note...



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