

# Joint Office of Gas Transporters

## November 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
0654S	Mandating the provision of NDM sample data	01 March 2019

Consultation Close-Out Dates		<a href="http://www.gasgovernance.co.uk/consult">http://www.gasgovernance.co.uk/consult</a>
0673 (Urgent)	Amendment of UNC and DSC arrangements to enable Xoserve to bid for and provide CSS Services	19 November 2018

Urgent Modifications discussed at October 2018 Panel	
None	

New Modifications discussed at October 2018 Panel	
0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS <a href="https://www.gasgovernance.co.uk/0670">https://www.gasgovernance.co.uk/0670</a>	<ul style="list-style-type: none"> <li>Workgroup Report 0670R is to be presented no later than the 16 May 2019 Panel.</li> </ul>
0671 – Relief from User Commitment obligations when NTS exit capacity substitution is permitted <a href="https://www.gasgovernance.co.uk/0671">https://www.gasgovernance.co.uk/0671</a>	<ul style="list-style-type: none"> <li>This Modification will follow Authority Direction procedures.</li> <li>This Modification will be considered within the Transmission Workgroup.</li> <li>Workgroup Report to be presented by 21 February 2019 Modification Panel.</li> </ul>
0672 – Incentivise Product Class 4 Read Performance <a href="https://www.gasgovernance.co.uk/0672">https://www.gasgovernance.co.uk/0672</a>	<ul style="list-style-type: none"> <li>This Modification will follow Authority Direction procedures.</li> <li>This Modification will be considered within the UIG Workgroup.</li> <li>Workgroup Report to be presented by 21 March 2019 Modification Panel.</li> </ul>

Modifications for Reconsideration discussed at October 2018 Panel	
0667 – Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC <a href="https://www.gasgovernance.co.uk/0667">https://www.gasgovernance.co.uk/0667</a>	<ul style="list-style-type: none"> <li>This Modification will follow Authority Direction procedures.</li> <li>This Modification will be considered within the Transmission Workgroup.</li> <li>Workgroup Report to be presented by 17 January 2019 Modification Panel.</li> </ul>

Workgroup Reports discussed at October 2018 Panel	
0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme <a href="https://www.gasgovernance.co.uk/0630">https://www.gasgovernance.co.uk/0630</a>	<ul style="list-style-type: none"> <li>Panel determined this should be referred back to Workgroup 0630R for further assessment, with a report by the 21 March 2018 Panel.</li> </ul>

<p><b>0652 – Introduction of winter read/consumption reports and associated obligations</b>  <a href="https://www.gasgovernance.co.uk/0652">https://www.gasgovernance.co.uk/0652</a></p>	<ul style="list-style-type: none"> <li>Panel determined this should be referred back to Workgroup 0652 for further assessment, with a report by the 15 November 2018 Panel.</li> </ul>
<p><b>0660S – Amendment to PARR permissions to allow PAC to update with UNCC approval</b>  <a href="https://www.gasgovernance.co.uk/0660">https://www.gasgovernance.co.uk/0660</a></p>	<ul style="list-style-type: none"> <li>Issued to Consultation which closes on 08 November 2018.</li> <li>The Final Modification Report will be presented (at short notice) to the 15 November 2018 Modification Panel.</li> </ul>
<p><b>0663S – Extending the data comprised under the definition of Supply Point Premises Data (TPD V5.18.1)</b>  <a href="https://www.gasgovernance.co.uk/0663">https://www.gasgovernance.co.uk/0663</a></p>	<ul style="list-style-type: none"> <li>Panel determined this should be referred back to Workgroup 0663S for further assessment, with a report by the 20 December 2018 Panel.</li> </ul>

**Variation Requests discussed at October 2018 Panel**

None	
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**Final Modification Reports discussed at October 2018 Panel**

<p><b>0649S – Update to UNC to formalise the Data Permissions Matrix</b>  <a href="https://www.gasgovernance.co.uk/0649">https://www.gasgovernance.co.uk/0649</a></p>	<ul style="list-style-type: none"> <li>Members voted unanimously to implement Modification 0649S.</li> </ul>
<p><b>0656 – Changes to Modification Panel arrangements</b>  <a href="https://www.gasgovernance.co.uk/0656">https://www.gasgovernance.co.uk/0656</a></p>	<ul style="list-style-type: none"> <li>Members voted by majority vote to recommend implementation of Modification 0656.</li> </ul>

**Distribution Workgroup Headlines**

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

- **Pre-Modifications** - None were 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 so that the Request can be used as a forum for the discussion of potential consequential changes to the UNC from the Ofgem lead significant Code Review of faster switching.
- **0647** - *Opening Class 1 reads to Competition.* There was further discussion of the likely impacts of transition and how this would be managed. One options is to set a hard cutover date with an options for Shippers to transfer daily read equipment services over to them using a transition period up to the hard cut over date.
- **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 superflous once Modification 0649S is implemented. It was agreed to defer consideration until December.
- **0665** - *Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ).* The Workgroup discussed a number of Transporter proposals as options for amending the current regime. This would include an option for splitting Class 2 Supply Meter Points by AQ and only applying ratchet charges to those over a to be defined AQ.

- **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. It was also noted that the scope of this modification could be reduced significantly once Modification 0649S is implemented and that an amended Modification would be prepared in anticipation of this.

#### 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. The Workgroup is to request an extension to the December reporting date as a number of draft Modifications are to be raised for consideration at future meetings.

#### Transmission Workgroup Headlines

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

- **Pre-modifications:** None were discussed.
- **0662** - *Revenue Recovery at Combined ASEPs.* A short update on storage capacity was given. Further updates including business rules are expected at the December meeting. This Modification will require further amendment once Ofgem has decided on which (if any) of the Modification 0621 suite of Modifications is implemented.
- **0669R** - *Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements.* Workgroup continued to progress with assessment of where issues lie and potential solutions to address these, including an in depth look at causes and consequences of the Non-Storage Supply (NSS) figure not currently being dynamic enough. A Bow Tie process was followed to gather information.
- **0667** – *Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC.* Workgroup reviewed the proposed solution and explored some new potential solutions. An amended modification is expected at the next meeting.
- **0671** – *Relief from User Commitment obligations when NTS exit capacity substitution is permitted.* Workgroup explored the implications of flow exchanges on user commitment.

#### Other Workgroups

- **0661R** – *Reconciliation and Imbalance Cash Out Prices.* The Workgroup met on 08 November 2018 and reviewed all outstanding actions. The next steps agreed for this Workgroup will be to finalise the materiality statement; produce an amendment to the Request; Update the draft of the solution or a draft modification and consider the relevant objectives.

#### Charging Methodology Forums

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

- 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 DNCFM on 15 January 2019.

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

- **Modification 0621 and alternatives:** Ofgem are on track to finish their impact assessment work shortly with a decision due mid-November.
- **Pre-Modifications:** None were discussed.
- **Long Term Revenue Forecasts** – National Grid will provide an update at the December meeting also provide more information to explain why the published charges have increased.
- **Forecasted Contracted Capacity (FCC) Update** - National Grid will provide an update on the development of the methodology at the December meeting.

- **Analysis to compliment Modification 0621 Impact Assessment** - Workgroup considered updated contract data for recent QSECs. Energy UK highlighted potential evidence of distortion which may need more consideration by Ofgem.
- **0670R** - *Review of the charging methodology to avoid the inefficient bypass of the NTS.* Workgroup agreed that the definition of the objective should be as follows “to avoid inefficient by-pass of the NTS”. Next meeting 04 December 2018 to further develop the scope and principles and begin to explore ideas/concepts.

## UIG Workgroup Headlines

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

- **Pre-Modifications:** None were discussed.
- **0652** - *Introduction of winter read/consumption reports and associated obligations.* The Workgroup noted that Legal Text was not available for conclusion of the Workgroup Report and that an additional extension would need to be requested at the November Panel.
- **0659S** - *Improvements to the Composite Weather Variable.* The Workgroup discussed the possibility of effecting the changes proposed by amendment to the Demand Estimation Methodology (DEM) which is governed by DESC. The Workgroup agreed that an extension should be sought from Panel until DESC had concluded its consideration of DEM.
- **0664** - *Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4.* The Workgroup discussed the options of separating the Modification so that the transfer elements were retained in this modification and incentives progressed in a different modification, so that a clear view could be taken from the industry on the more palatable approach.
- **0672** - *Incentivise Product Class 4 Read Performance.* The Workgroup considered the high level impacts of incentives and how any monies would be managed. It was noted that the modification might take more time to develop than originally identified and that IGT impacts should be identified to allow for cooperation in consideration of cross code impacts.
- The next UIG Workgroup meeting is to be held on the 19 November 2018.

## Committees Updates

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

- The next meeting is planned for the 19 November 2018 and will include a 6 month review.

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

- The next meeting is to be held on 08 November 2018 and the main order of business will be approval of changes to the NDM Demand Estimation Methodology (DEM).
- The Change Management Committee have also asked DESC to review the capture document for XRN4772 Composite Weather Variable Improvements. This change proposal is about ensuring the relevant systems and processes are ready to deal with any change in the CWV formula should DESC decide to change it next year and use the additional weather data items referred to in the DEM.
- Modification 0654 / Change Proposal XRN4770 relates to Shippers having to support the demand modelling by providing data from their portfolio assuming they meet the appropriate criteria. The change proposal relates to the reports necessary to support the monitoring of this obligation. The validation that DESC will be performing on the Shipper data will be discussed at the meeting.

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

- Two PAC meetings were held on 23 October and 05 November. The 23 October meeting discussed members views on the content of letters to the industry and the 05 November meeting concentrated on the proposed changes to the Performance Assurance Framework, noting the intention of a PAC Member to raise a modification.

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

**DSC Change Management Committee** - at the 10 October meeting:

- 7 new change proposals were raised and approved and 5 change proposals had their Solution and Delivery options approved.
- Release 2 is in the process of close down and the CCR is expected to be approved at November meeting.
- Release 3 is due to be delivered 2nd November 2018 and delivery has been split into the 2 delivery tracks (Track 1 – 13 changes and Track 2 – Cadent Billing change). 1 change from track 1 (XRN4534 – amendment to RGMA validation rules) has encountered issues in regression testing and therefore will not be delivered with track 1 changes, amended implementation date to be confirmed in the November meeting.
- Future release June 2019 - Scope for June 2019 release was approved. There are only 3 changes in scope and therefore it was agreed that although the release will be delivered to the major release timeline market trials would not be required due to reduced scope.

#### DSC Contract Management Committee

- At the meeting on 17 October 2018, Xoserve talked through a detailed presentation on the Amendment Invoice Issue and what Xoserve are doing to resolve it, which is currently reporting as red (RAG status).
- A 6 monthly review of the latest version of the Key Value Indicators (KVIs) has identified a number of minor amendments.
- Further discussion was had on 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. Approval of a number of Disclosure Request Reports will be sought at the November meeting not that the Modifications have been approved.

#### DSC Credit Committee

- The next meeting is planned for the 19 November 2018 and will include a 6 month review.

#### Things to Note...

- The **Code Administrators Code of Practice (CACoP) Committee** have provided updates on the changes that the Codes will likely require following our departure from the EU (Brexit) and a horizon scanning document and these can be found via: <http://www.gasgovernance.co.uk/cacop>
- The CACoP horizon scan is a tool for Code Administrators (CAs) to identify any upcoming issues that may have cross code impacts and it is updated every other month ahead of the CAs meeting.
  - The document is intentionally kept at a high level, listing priorities and impacts that may vary between CAs.
  - The horizon scan is a snapshot of expected impacts at the time of compilation. The timescales shown are indicative only, based on latest information, and will almost certainly change, particularly as the start date approaches.
  - The horizon scan has been shared with parties for indicative purposes and to make them aware of events that may impact their business.

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