

# Joint Office of Gas Transporters

## December 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>

### Table of Contents for December 2018

|   |   |
|---|---|
| Implementation Dates  | 2 |
| Consultation Close-Out Dates                                | 2 |
| Urgent Modifications discussed at November 2018 Panel       | 2 |
| New Modifications discussed at November 2018 Panel          | 2 |
| Workgroup Reports discussed at November 2018 Panel          | 2 |
| Final Modification Reports discussed at November 2018 Panel | 2 |
| Distribution Workgroup Headlines                            | 3 |
| Transmission Workgroup Headlines                            | 3 |
| Charging Methodology Forums                                 | 4 |
| UIG Workgroup Headlines                                     | 4 |
| Committees Updates  | 4 |
| Things to Note...   | 5 |

| 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">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 22 November 2018 Extra Panel  |  |
|---|--|
| <p><b>0673 (Urgent)</b> - Amendment of UNC and DSC arrangements to enable Xoserve to bid for and provide CSS Services</p> <p><a href="http://www.gasgovernance.co.uk/0673">www.gasgovernance.co.uk/0673</a></p> | <ul style="list-style-type: none"> <li>Members voted unanimously to recommend the implementation of Modification 0673 (Urgent).</li> </ul> |

| New Modifications discussed at November 2018 Panel   |  |
|--|--|
| <p><b>0674</b> - Performance Assurance Techniques and Controls</p> <p><a href="http://www.gasgovernance.co.uk/0674">www.gasgovernance.co.uk/0674</a></p> | <ul style="list-style-type: none"> <li>Consideration deferred to the December 2018 Panel meeting.</li> </ul> |

| Modifications for Reconsideration discussed at November 2018 Panel  |   |
|---|---|
| <p><b>0651</b>- Changes to the Retrospective Data Update provisions</p> <p><a href="http://www.gasgovernance.co.uk/0651">www.gasgovernance.co.uk/0651</a></p> | <ul style="list-style-type: none"> <li>Members requested that this Modification be added to the agenda for the December meeting.</li> </ul> |

| Workgroup Reports discussed at November 2018 Panel  |  |
|---|--|
| <p><b>0652</b> – Introduction of winter read/consumption reports and associated obligations</p> <p><a href="http://www.gasgovernance.co.uk/0652">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 20 December 2018 Panel.</li> </ul> |

| Variation Requests discussed at November 2018 Panel |  |
|---|--|
| None  |  |

| Final Modification Reports discussed at November 2018 Panel   |  |
|---|--|
| <p><b>0660S</b> – Amendment to PARR permissions to allow PAC to update with UNCC approval</p> <p><a href="http://www.gasgovernance.co.uk/0660">www.gasgovernance.co.uk/0660</a></p> | <ul style="list-style-type: none"> <li>Members voted unanimously to implement Modification 0660S.</li> </ul> |

|   |   |
|---|---|
| <p><b>Distribution Workgroup Headlines</b></p> <ul style="list-style-type: none"> <li>• <b>Pre-Modifications</b> - None were discussed.</li> <li>• <b>0630R</b> - <i>Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme.</i> Consideration was deferred to the December Workgroup meeting.</li> <li>• <b>0647</b> - <i>Opening Class 1 reads to Competition.</i> There was further discussion of the likely impacts of transition and how this would be managed. It was noted that Shippers would require 12 months notice between the Modification decision being received and its implementation to date to allow time for DM Read contracts to be put in place prior to migration to the DM service.</li> <li>• <b>0665</b> - <i>Introduction of suitable classification of Ratchetable Supply Points &amp; ensuring accurate Capacity Allocations (SOQ).</i> The Workgroup discussed option for lowering the current entry threshold for Product Class 1 sites and therefore maintain the current Product Classes. Transporters aim to provide analysis on this option.</li> <li>• <b>0668</b> - <i>Enabling permissions for the provision of information to Alt Han Company to support smart metering roll-out.</i> The Workgroup noted that following the implementation of Modification 0649S, the scope of this modification had reduced as the specific data items and Privacy Impact Assessment would be managed by the DSC Contract Committee. It was noted that the UNC would need to be amended to include Alt Han Company as party eligible to receive agreed data.</li> <li>• The next Distribution Workgroup meeting is to be held on the 17 December 2018.</li> </ul> <p><b>Other Workgroups</b></p> <ul style="list-style-type: none"> <li>• <b>0646R</b> - <i>Review of the Offtake Arrangements Document.</i> The Workgroup continue to make good progress in reviewing areas for improvement including the removal of redundant assets, site security, shared sites, supplemental agreements, tri-partite agreements, and site drawings. A modification is currently being drafted to address these areas with a view to raising a further modification to address OAD Notices, Metering and Maintenance.</li> </ul> | <p><a href="http://www.gasgovernance.co.uk/dist">www.gasgovernance.co.uk/dist</a></p> |
| <p><b>Transmission Workgroup Headlines</b></p> <ul style="list-style-type: none"> <li>• <b>Pre-modifications:</b> None were discussed.</li> <li>• <b>0662</b> - <i>Revenue Recovery at Combined ASEPs.</i> A short update on how to identify what tranche of capacity is excluded was given. A non-exhaustive list is expected to be available for discussion at the January meeting. This Modification will require further amendment once Ofgem has decided on which (if any) of the Modification 0621 suite of Modifications is implemented.</li> <li>• <b>0669R</b> - <i>Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements.</i> Workgroup continued to progress with assessment of where issues lie and potential solutions to address these.</li> <li>• <b>0667</b> – <i>Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC.</i> The proposer confirmed that some of the additional solutions identified at last months’ meeting were not suitable. The National Grid Review of Capacity Methodology Statements may also provide a suitable solution. An amended modification is expected at the next meeting.</li> <li>• <b>0671</b> – <i>Relief from User Commitment obligations when NTS exit capacity substitution is permitted.</i> Workgroup explored the implications of flow exchanges on user commitment, the effect of substitution and capacity increases below and above Baseline.</li> </ul> <p><b>Other Workgroups</b></p> <ul style="list-style-type: none"> <li>• <b>0661R</b> – <i>Reconciliation and Imbalance Cash Out Prices.</i> The next Workgroup meeting will be on 23 January 2019 where it is expected the materiality statement will be finalised and all outstanding actions reviewed and an amendment to the Request reviewed alongside consideration of the relevant objectives.</li> </ul>  | <p><a href="http://www.gasgovernance.co.uk/tx">www.gasgovernance.co.uk/tx</a></p>     |

## Charging Methodology Forums

### Distribution Network Charging Methodology Forum (DNCFM)

- The next quarterly DN Revenue reports will be published in December at: [www.gasgovernance.co.uk/DNRevenueReports/2018](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)

- At the meeting on the 4 December 2018, Ofgem confirmed they are now expecting to make a decision before the end of the year on **Modification 0621 and its alternatives**.
- Pre-Modifications:** None were discussed.
- Long Term Revenue Forecasts** – National Grid provided additional information on the forecast and the Indicative Charges for April 2019 which were published on 02 November 2018. Workgroup participants asked for the reasons for the increase in SO charges to be further defined.
- Forecasted Contracted Capacity (FCC) Update** - National Grid will provide an update on the development of the methodology at the January meeting.
- 0670R** - *Review of the charging methodology to avoid the inefficient bypass of the NTS.* Workgroup reviewed the scoping document, objective and principles and the initial ideas from Workgroup. Workgroup participants have been encouraged to propose any new ideas, as the focus of the next meeting is to consider the ideas and proposals further.
- Next meeting 10 January 2019.

### UIG Workgroup Headlines

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

- Pre-Modifications:**
- 0674** - *Performance Assurance Techniques and Controls.* Following deferral by the November Panel, the proposer presented this Modification to the Workgroup and requested feedback on how to clarify the aims and intent of the Modification.
- 0652** - *Introduction of winter read/consumption reports and associated obligations.* The Workgroup considered the Legal Text and noted the solution required amendment to clarify the scope of the reporting and parties' obligations. A further workgroup meeting is likely to be required to finalise the Report for Panel.
- 0664** - *Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4.* The Workgroup reviewed the amended modification submitted 04 December 2018 and a ROM has now been requested.
- 0672** - *Incentivise Product Class 4 Read Performance.* The Workgroup reviewed the amended modification submitted 05 December 2018.
- The next UIG Workgroup meeting is to be held on the 22 January 2019.

## Committees Updates

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

- The next meeting is planned for the 18 December 2018.

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

- At the meeting on the 10 December DESC discussed the importance of the accuracy of the Market Sector Code (MSC) for each NDM Supply Meter Point under the new modelling and EUC definition arrangements, due to take effect in Gas Year 2019/20. To ensure the demand models created by DESC and the subsequent NDM allocation is as accurate as can be, it will be essential that the MSC reflects the correct consumer type i.e. Domestic or Non-Domestic.

- DESC also noted that although MOD 0654 implements on 1st March 2019, the CDSP will still require daily consumption data for the previous 12 months in order to support the 2019 demand modelling.
- The next meeting is to be held on 11 February 2019.

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

- The PAC's response to the Ofgem "Switching Programme: Regulation and Governance" consultation was approved and sent on 15th November 2018.
- The PAFA provided analysis of PARR report 2A.1 – "Use of Estimated & Check Reads for PC1 and PC2", highlighting poor performing Shippers.
- The PAC agreed for the PAFA to send out Data Cleanliness Observation letters on the 22nd November 2018 to the poor performing Shippers to incentivise performance improvement.
- The PAC approved the PAFA's autonomy in issuing Data Cleanliness letters based on future performance analysis.
- The PAFA provided a progress update on Shippers issued with Data Cleanliness letters for PARR report 2A.9 – "Use of Standard Correction Factor for sites that have an AQ greater than 732,000 kWh".
- Shippers can view performance dashboards for all 10 PARR reports on the Huddle platform (for access please contact [PAFA@Gemserv.com](mailto:PAFA@Gemserv.com)).
- The PAC approved the amended Risk Register including two new draft risks relating to Smart Meter installations and post-implementation issues with UK Link.

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

**DSC Change Management Committee** - at the 7 November meeting:

- 8 new change proposals were raised and approved and 8 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 the December meeting.
- Release 3 was delivered 2nd November 2018. This delivery had already 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 will now be delivered with the Track 2 changes in February 2019.
- Work continues to agree the scope for the November 2019 release.

**DSC Contract Management Committee**

- At the meeting on 14 November 2018, Xoserve provided updates on the Amendment Invoice Issue and open AQ issues.
- Several Disclosure Request Reports were approved in relation to:
  - Supplier API Dataset
  - Supplier Portfolio Data
  - Meter Asset Manager (MAM) Portfolio Data
  - Major Energy User (MEU) Portfolio Data

**DSC Credit Committee**

- The next meeting is planned for the 18 December 2018.

**Things to Note...**

- The last Ofgem publishing day will be Friday 21 December 2018.
- The Joint Office of Gas Transporters would like to wish you all a Merry Christmas and a Happy New Year

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