

Joint Office of Gas Transporters

January 2019 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>

Table of Contents for January 2019

Implementation Dates	2
Consultation Close-Out Dates	2
Urgent Modifications discussed at December 2018 Panel	2
New Modifications discussed at December 2018 Panel	2
Workgroup Reports discussed at December 2018 Panel	2
Final Modification Reports discussed at December 2018 Panel	3
Distribution Workgroup Headlines	3
Transmission Workgroup Headlines	3
Charging Methodology Forums	4
UIG Workgroup Headlines	4
Committees Updates	5
Things to Note...	6

Implementation Dates		
UNC Ref	Title	Date
0654S	Mandating the provision of NDM sample data	01 March 2019

Consultation Close-Out Dates		www.gasgovernance.co.uk/consult
0668S	Amendment of the Data Permission Matrix to add Alt Han Company as a new User type	10 January 2019

Urgent Modifications discussed at December 2018 Panel	
<p>0673 (Urgent) - Amendment of UNC and DSC arrangements to enable Xoserve to bid for and provide CSS Services</p> <p>www.gasgovernance.co.uk/0673</p>	<ul style="list-style-type: none"> Panel determined that Modification 0673 (Urgent) should not to be issued to Workgroup.

New Modifications discussed at December 2018 Panel	
<p>0675S – Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow</p> <p>www.gasgovernance.co.uk/0675</p>	<ul style="list-style-type: none"> Modification 0675S will follow Self-Governance procedures. Modification 0675S will be considered within the Transmission Workgroup on the 21 January 2019. Initial representations for consideration at Workgroup are requested no later than 15 January 2019. Workgroup Report to be presented by 21 February 2019 Modification Panel.

Modifications for Reconsideration discussed at December 2018 Panel	
<p>0651- Changes to the Retrospective Data Update provisions</p> <p>www.gasgovernance.co.uk/0651</p>	<ul style="list-style-type: none"> Modification has now been with the Authority awaiting a decision for 4 months, and therefore was considered at the 20 December 2018 Panel meeting. Ofgem confirmed a decision is expected to be made prior to the January 2019 Panel meeting. Panel Deferred consideration to the January 2019 Panel.
<p>0674 - Performance Assurance Techniques and Controls</p> <p>www.gasgovernance.co.uk/0674</p>	<ul style="list-style-type: none"> Panel deferred discussion until the 17 January 2019 Panel meeting.

Workgroup Reports discussed at December 2018 Panel	
<p>0652 – Introduction of winter read/consumption reports and associated obligations</p>	<ul style="list-style-type: none"> Panel determined that this Modification be returned to the Workgroup for further assessment.

www.gasgovernance.co.uk/0652	<ul style="list-style-type: none"> ▪ A Report is to be presented by the 17 January 2019 Modification Panel.
<p>0668S - Amendment of the Data Permission Matrix to add Alt Han Company as a new User type</p> <p>www.gasgovernance.co.uk/0668</p>	<ul style="list-style-type: none"> ▪ Issued to Consultation which closes on 10 January 2019. ▪ The Final Modification Report will be presented (at short notice) to the 17 January 2019 Modification Panel.
<p>Variation Requests discussed at December 2018 Panel</p>	
<p>None</p>	
<p>Final Modification Reports discussed at December 2018 Panel</p>	
<p>None</p>	

<p>Distribution Workgroup Headlines</p>	<p>www.gasgovernance.co.uk/dist</p>
<ul style="list-style-type: none"> • Pre-Modifications - None were discussed. • 0630R - <i>Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme.</i> An update was provided on the Xoserve systems changes being developed to support the Switching Programme. Shippers were encouraged to attend DSG meetings and to provide their views on the proposed developments. Two future DSG meetings to note – 18 January 2019 to provide a walkthrough of UNC rules and 25 March 2019 to consider Legal Text. Workgroup also agreed that a separate 0630R meeting was needed to allow more time for discussion (see below). • 0647 - <i>Opening Class 1 reads to Competition.</i> There was further discussion of the likely impacts of transition and how this would be managed. The amended Modification and draft Legal Text will be considered at the next meeting on 24 January 2019. A ROM has now been requested. • 0665 - <i>Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ).</i> The Workgroup noted that the key changes being proposed relate to the application of ratchets, ratchet charges and potentially to the Network Exit Agreement (NExA). Transporters will be aiming to develop a guidelines document in time for consultation. and a ROM has now been requested. • The next Distribution Workgroup meeting is an additional meeting to be held on the 07 January 2019 to discuss Modifications 0652 and 0630R. The next full Distribution Workgroup meeting will be 24 January 2019. <p>Other Workgroups</p> <ul style="list-style-type: none"> • 0646R - <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. 	
<p>Transmission Workgroup Headlines</p>	<p>www.gasgovernance.co.uk/tx</p>
<ul style="list-style-type: none"> • Pre-modifications: None were discussed at the meeting on the 6 December 2018. • 0662 - <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 now that Ofgem have determined not to implement Modification 0621 or any of the Alternative Modifications. 	

- **0669R** - *Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements.* Workgroup continue to progress with assessment of where issues lie and potential solutions to address these.
- **0667** – *Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC.* 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.
- **0671** – *Relief from User Commitment obligations when NTS exit capacity substitution is permitted.* Workgroup explored the implications of flow exchanges on User Commitment, the effect of substitution and capacity increases below and above baseline.
- Next meetings 08 January and 21 January 2019.

Other Workgroups

- **0661R** – *Reconciliation and Imbalance Cash Out Prices.* 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.

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCFM)

- The next quarterly DN Revenue reports were published in December at: <http://www.gasgovernance.co.uk/DNRevenueReports/2018> and these will be reviewed at the DNCFM on 14 January 2019.

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

At the meeting on the 04 December 2018, Ofgem confirmed they were expecting to make a decision before the end of the year on **Modification 0621 and its alternatives**. Post-meeting note: Ofgem rejected all the proposals on the 20 December 2018 and the Ofgem decision letter is published here – <https://www.gasgovernance.co.uk/0621>. The Joint Office are now working with National Grid to understand the next steps.

- **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

- **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. A further meeting is to be held on 28 January 2019, where the UIG Taskforce are to present their findings and recommendations.

Committees Updates

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

- The next meeting is planned for the 21 January 2019 and is to include a review of emergency procedures and an assessment of whether any changes are required to the outstanding Energy Balancing indebtedness calculation.

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

- The next meeting is to be held on 11 February 2019.

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

- At the meeting on the 11 December, the Performance Assurance Framework Administrator (PAFA) provided a progress update to PAC on Shippers issued with Data Cleanliness letters for Performance Assurance Report Register (PARR) Report 2A.1 – “Use of Estimated & Checks Reads for PC1 and PC2” and 2A.9 – “Use of Standard Correction Factor for sites that have an AQ greater than 732,000 kWh”.
 - Performance improvements are already being seen
 - PAFA will provide a full report to PAC at the March meeting.
- PAFA also reported increased industry engagement and a rise in Huddle usage following the issuing of warning letters to all Shippers in Product Class 3 for PARR report 2A.5- “Read Performance”.
- The PAC agreed for PAFA to send out Data Cleanliness Observation letters to poor performers in both 2A.3 “No Meter Recorded and data flows received” and 2A.8 “AQ Correction by Reason Code”.
- PAC also agreed to begin to address the issue of historic consumption adjustments, with the co-operation of the CDSP and to adopt a new management and escalation process whilst Modification 0674 is being developed.

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

DSC Change Management Committee - at the 12 December meeting:

- 5 new change proposals were raised and approved, and 9 change proposals had their Solution and Delivery options approved.
- Release 2 is in the process of close down and the Change Completion Report (CCR) is expected to be approved at the January meeting once an issue with the delivery of one report is resolved.
- 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 Review of Gas Meter Arrangement (RGMA) validation rules) has encountered issues in regression testing and will now be delivered with the Track 2 changes in February 2019.
- The scope of the November 2019 release has been agreed and includes 4 changes.
- The UIG Taskforce presented some of its initial recommendations and the Committee recommended that they are all presented under the UIG Workgroup banner and a meeting is being set up for 28 January 2019 to do so.

DSC Contract Management Committee

- At the meeting on 19 December 2018, Xoserve provided updates on the Amendment Invoice Issue, Domestic M Number Helpline incorrect data issue and open AQ issues.

DSC Credit Committee

- The next meeting is planned for the 21 January 2018.

Things to Note...

- The Joint Office would like to wish you a happy New Year and look forward to working with you in 2019.

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