

Joint Office of Gas Transporters

February 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>

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Implementation Dates		
UNC Ref	Title	Date
0654S	Mandating the provision of NDM sample data	01 March 2019
0668S	Amendment of the Data Permission Matrix to add Alt Han Company as a new User type	01 March 2019

Consultation Close-Out Dates	www.gasgovernance.co.uk/consult	
None		

Urgent Modifications discussed at January 2019 Panel	
None	

New Modifications discussed at January 2019 Panel	
Request 0676R – Review of Gas Transporter Joint Office Arrangements www.gasgovernance.co.uk/0676	<ul style="list-style-type: none"> ▪ A new Request Workgroup will be established. ▪ Request 0676R will be considered within the Governance Workgroup on the 08 February 2019. ▪ Initial representations for consideration at Workgroup are requested no later than 07 February 2019. ▪ Workgroup report to be presented by 21 June 2019 Modification Panel.
Request 0677R – Shipper and Supplier Theft of Gas Reporting Arrangements www.gasgovernance.co.uk/0677	<ul style="list-style-type: none"> ▪ A new Request Workgroup will be established. ▪ Initial representations for consideration at Workgroup are requested no later than 07 February 2019. ▪ The first meeting is likely to be held on 01 March 2019. ▪ Workgroup report to be presented by 21 June 2019 Modification Panel.

Modifications for Reconsideration discussed at January 2019 Panel	
0651- Changes to the Retrospective Data Update provisions www.gasgovernance.co.uk/0651	<ul style="list-style-type: none"> ▪ Modification has now been with the Authority awaiting a decision for 5 months. ▪ Ofgem provided an update and confirmed a decision is expected to be made by the end of January 2019. ▪ Panel deferred consideration to the 21 February 2019 Panel.
0674 - Performance Assurance Techniques and Controls www.gasgovernance.co.uk/0674	<ul style="list-style-type: none"> ▪ Panel deferred discussion until the 21 February 2019 Panel meeting.

Workgroup Reports discussed at January 2019 Panel

0652 – Introduction of winter read/consumption reports and associated obligations

www.gasgovernance.co.uk/0652

- Panel determined that this Modification be returned to the UIG Workgroup for further assessment on 22 January 2019.
- A Report is to be presented by the 21 February 2019 Modification Panel.

Variation Requests discussed at January 2019 Panel

None

Final Modification Reports discussed at January 2019 Panel

0668S – Amendment of the Data Permission Matrix to add Alt Han Company as a new User type.

www.gasgovernance.co.uk/0668

- No new issues were identified.
- Implementation was unanimously supported.
- To be implemented in line with IGT UNC 116V on 01 March 2019.

Distribution Workgroup Headlines

www.gasgovernance.co.uk/dist

- At the meetings on 07 and 24 January 2019:
- **Pre-Modifications** - None were discussed.
- **0630R** - *Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme.* At the meeting held on 07 January 2019, an update was provided on the 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. The Workgroup also agreed that two further meetings were needed to allow to consider the proposed changes to UNC and systems.

- **0652** – Obligation to submit reads and data for winter consumption calculation (meters in EUC bands 3 – 8)

At the meeting held on 07 January 2019, the Workgroup reviewed the amended Modification and Legal text for submission to the 17 January 2019 Modification Panel.

At the meeting held on 24 January 2019, the Workgroup reviewed the comments and questions made at Panel and amended the Workgroup Report and Legal Text for submission to the 21 February 2019 Modification Panel.

- **0647** - *Opening Class 1 reads to Competition.* There was further discussion of the likely impacts of transition and how this would be managed. At the meeting on 24 January 2019, the amended Modification and draft Legal Text was considered at the next meeting on 27 February 2019. A ROM has now been requested and the proposer is to reconsider the transition approach to ensure it is a cost effective solution. It was agreed to request an extension to the Workgroup Reporting date.
- **0665** - *Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ).* At the meeting on 24 January 2019, the Workgroup reviewed the amended Modification solution and associated guidance document. Following consideration of the likely implementation timescales it was agreed to attempt to conclude the Workgroup Report at a specific meeting to be on 08 February 2019 for submission to the February 2019 Panel.

Other Workgroups

- **0646R** - *Review of the Offtake Arrangements Document.* The Workgroup reviewed a draft Modification and proposed OAD and supplemental agreement amendments. It was noted that

the draft Modification would be raised by the March 2019 Panel and that a further extension to the Workgroup Reporting date would be requested.

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

At the meeting on 08 January 2019 the following Modifications were discussed/progressed:

- **0662** - *Revenue Recovery at Combined ASEPs*. A short update on how to identify what tranche of capacity is excluded was given.
- **0667** – *Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC*.
- **0671** – *Relief from User Commitment obligations when NTS exit capacity substitution is permitted*

At the meeting on 21 January 2019, the following Modifications were discussed/progressed:

- **0669R** – Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements.
- **0675S** – Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow.

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCMF)

- The next quarterly DN Revenue reports were published in December and were reviewed at the DNCMF on 14 January 2019. The next meeting is on the 26 March 2019.

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

- At the meeting on the 10 January 2019:
- **Modification 0621 and its alternatives**. Ofgem rejected all the proposals on the 20 December 2018 and the Ofgem decision letter is published here – <https://www.gasgovernance.co.uk/0621>. At the meeting Ofgem summarised the material from the letter and clarified that they expect any future modification(s) to take the material in the letter into account.
- **Pre-Modifications**: None were discussed.
- **Forecasted Contracted Capacity (FCC) Update** - National Grid provided 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*, was progressed.
- Next meeting 05 February 2019.

Other Workgroups

- **0678 / 0678A (Urgent) - Amendments to Gas Transmission Charging Regime**. Following receipt of Ofgem’s decision to grant Urgency for National Grid’s Modification 0678 and to designate RWE’s Modification 0678A as an Alternative to it, Workgroup meetings began on 29 January 2019. Ofgem noted that Modification 0678 is linked to the forthcoming entry into force of Chapters II, III, and IV of **TAR NC** on 31 May 2019. A fixed programme of Workgroups will take place as part of the specified ‘Urgent’ timetable set out by Ofgem. Designated sessions are allocated to:
 - Approach.
 - Compliance (multiple sessions)
 - Integration of RPM, FCC, Revenue Recovery and existing contracts
 - Multipliers and Discounts.
 - ‘Shorthaul’ approach
 - Forecasted Contracted Capacity (FCC)

- Non-transmission charges.
- Final overview
- Development of Workgroup Report (multiple sessions)
- Ofgem clarified at Workgroup that any Alternatives would be expected to be managed within the existing timetable outlined in the Modification 0678 Ofgem Decision Letter.
- **The Workgroup Report will be finalised at the last Workgroup on 06 March 2019.** Once the Draft Modification Report is issued for consultation on 08 March 2019, representations can be made as usual, with consultation close out on 05 April 2019. The FMR will be made available to Panel on 12 April 2019 for consideration at the scheduled UNC Modification Panel meeting on 18 April 2019. The FMR will then be issued to Ofgem for their ultimate consideration after the Easter weekend on 23 April 2019.

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

- At the meeting on 22 January 2019:
- **Pre-Modifications:** None.
- **0664 - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4.** The Workgroup reviewed the amended Modification and it was suggested that the Modification might not be needed due to the recent enhancements to PAC reporting. However, the Workgroup felt the changes should be progressed and the Proposer agreed to review and submit and amended Modification.
- **0672 - Incentivise Product Class 4 Read Performance.** The Workgroup reviewed the amended Modification and the likely incentive regime and level of charges to be proposed. The proposer agreed to review the incentive charges at the next PAC meeting to establish a suitable value.
- At the meeting on 28 January 2019, the **UIG Task Force** presented their findings and recommendations to date. Workgroup participants provided their views on over eighty options and indicated support for those that they would like to see progressed. This information has been captured on a tracker and a review of it is to be a standard agenda item at future meetings. As part of the next steps Xoserve will be providing further details of the actions required to progress the supported options, including working with sponsors of any UNC Modifications.
- The Task Force have also asked for views on priority order of the 17 lines of investigation remaining on their issues log, to understand how they should be progressed alongside the above work.

Committees Updates

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

- At the meeting on 21 January 2019 Xoserve presented a template that had been developed for Emergency Energy Balancing Credit Committee (EEBCC) meetings and provides information in advance on the decisions required. The key focus of the meeting was a presentation, providing clarification of the Terminations process and the Energy Balancing Credit Committee's role within the process. An update was also provided on the position following the Termination of Utility Professional Business Operations Ltd (UPB) where £1.4m is overdue payment.

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

- Meetings were held on 08 and 29 January 2019. The next meeting is on 12 March 2019.

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

DSC Change Management Committee - at the 09 January meeting:

- 2 Change Proposals had their solution/delivery options approved and 1 BER was also approved.
- Release 2 had its Closure Report approved.

- The Release 3 update confirmed the Cadent Billing change will be delivered on a separate track on 01 February 2019 and the outstanding track 1 change - XRN4534 – amendment to RGMA validation rules is expected to be implemented on 01 March 2019.
- February 2019 release – the update provided confirmed that the minor and major releases are both on track for delivery.
- June 2019 release – the BER was approved.

DSC Contract Management Committee

- At the meeting on 16 January 2019, Xoserve provided updates on the Amendment Invoice Issue and open AQ issues. Some Committee members expressed concerns over the extended timescales for resolution of these issues.
- CDSP provided an overview of the amendments to the Consent for Disclosure of Shipper API Data Set document and explained that 3 new data items have been added. Members voted unanimously to approve the Consent for Disclosure of the Shipper API Data Set.

DSC Credit Committee

- At the 21 January 2019 meeting the DSC Default Process was reviewed to identify any lessons learnt as a consequence of the recent/first DSC related termination of Utility Professional Business Operations Ltd (UPB).

Things to Note...

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