

# Joint Office of Gas Transporters

## March 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
0651	Changes to the Retrospective Data Update provisions	To be determined

**Modifications discussed at 12 February 2019 Extraordinary Panel**

<p><b>0678C - Amendments to Gas Charging Regime (Postage Stamp)</b>  <a href="http://www.gasgovernance.co.uk/0678">http://www.gasgovernance.co.uk/0678</a></p>	<ul style="list-style-type: none"> <li>▪ Panel agreed to consider Modification 0678C at short notice.</li> <li>▪ Modification 0678C will be considered within Workgroup 0678 and follow the same timetable where practicable.</li> <li>▪ Panel requested all Proposers to submit a TAR NC Compliance assessment for each Modification relating to 0678.</li> </ul>
<p><b>0678D - Amendments to Gas Transmission Charging Regime</b>  <a href="http://www.gasgovernance.co.uk/0678">http://www.gasgovernance.co.uk/0678</a></p>	<ul style="list-style-type: none"> <li>▪ Panel agreed to consider Modification 0678D at short notice.</li> <li>▪ Modification 0678D will be considered within Workgroup 0678 and follow the same timetable where practicable</li> <li>▪ Panel requested all Proposers to submit a TAR NC Compliance assessment for each Modification relating to 0678.</li> </ul>
<p><b>0678E - Amendments to Gas Transmission Charging Regime – Treatment of Storage</b>  <a href="http://www.gasgovernance.co.uk/0678">http://www.gasgovernance.co.uk/0678</a></p>	<ul style="list-style-type: none"> <li>▪ Panel agreed to consider Modification 0678E at short notice.</li> <li>▪ Modification 0678E will be considered within Workgroup 0678 and follow the same timetable where practicable</li> <li>▪ Panel requested all Proposers to submit a TAR NC Compliance assessment for each Modification relating to 0678.</li> </ul>

**New Modifications discussed at February 2019 Panel**

<p><b>Modification 0680 - UNC Changes as a Consequence of ‘no deal’ United Kingdom Exit from the European Union</b>  <a href="http://www.gasgovernance.co.uk/0680">http://www.gasgovernance.co.uk/0680</a></p>	<ul style="list-style-type: none"> <li>▪ A new Workgroup will be established.</li> <li>▪ Modification 0680 suitable for Self-Governance</li> <li>▪ Modification 0680S will be considered within the Distribution and Transmission Workgroups on the 28 February 2019 and 07 March 2019.</li> <li>▪ Initial representations for consideration at Workgroup are requested as soon as possible</li> <li>▪ Workgroup report to be presented by 21 March 2019 Modification Panel.</li> </ul>
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**Modifications for Reconsideration discussed at February 2019 Panel**

<p><b>0651- Changes to the Retrospective Data Update provisions</b>  <a href="http://www.gasgovernance.co.uk/0651">www.gasgovernance.co.uk/0651</a></p>	<ul style="list-style-type: none"> <li>▪ Modification has now been with the Authority awaiting a decision for 6 months.</li> <li>▪ Ofgem confirmed that a decision has not been made and that Ofgem are minded to implement Modification 0651.</li> <li>▪ Panel deferred consideration to the 21 March 2019 Panel.</li> </ul>
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<p><b>0674 - Performance Assurance Techniques and Controls</b>  <a href="http://www.gasgovernance.co.uk/0674">www.gasgovernance.co.uk/0674</a></p>	<ul style="list-style-type: none"> <li>▪ Panel deferred discussion until the 21 March 2019 Panel meeting.</li> </ul>
<p><b>Workgroup Reports discussed at February 2019 Panel</b></p>	
<p><b>0652 – Introduction of winter read/consumption reports and associated obligations</b>  <a href="http://www.gasgovernance.co.uk/0652">www.gasgovernance.co.uk/0652</a></p>	<ul style="list-style-type: none"> <li>▪ Issued to Consultation which closes on 14 March 2019</li> <li>▪ The Final Modification Report will be presented (at short notice) to the 21 March 2019 Modification Panel.</li> </ul>
<p><b>0665 - Changes to Ratchet Regime</b></p>	<ul style="list-style-type: none"> <li>▪ Referred back to Distribution Workgroup on 28 February 2019 for further assessment.</li> <li>▪ Panel deferred consideration to the 01 March 2019 Panel.</li> </ul>
<p><b>Variation Requests discussed at February 2019 Panel</b></p>	
<p>None</p>	
<p><b>Final Modification Reports discussed at February 2019 Panel</b></p>	
<p>None</p>	

<p><b>Distribution Workgroup Headlines</b></p>	<p><a href="http://www.gasgovernance.co.uk/dist">www.gasgovernance.co.uk/dist</a></p>
<ul style="list-style-type: none"> <li>• At the meeting on 28 February 2019:</li> <li>• <b>Pre-Modifications</b> <ul style="list-style-type: none"> <li>○ <i>Migration of Market Participant Id MDD to UNC</i> - The Workgroup noted the intention to raise this Modification which was supported. It was noted that a joint Workgroup with SPAA was not required.</li> </ul> </li> <li>• <b>0647 - Opening Class 1 reads to Competition.</b> There was further discussion of the ROM and impacts on transition options. Transporters are to consider how they could support transition through their existing contractual relationships.</li> <li>• <b>0665 - Introduction of suitable classification of Ratchetable Supply Points &amp; ensuring accurate Capacity Allocations (SOQ)</b>The Workgroup reviewed amended modification solution, associated guidance documents and draft Legal Text. The Workgroup Report was concluded for submission to 01 March extraordinary Panel.</li> <li>• <b>0680S - UNC Changes as a Consequence of ‘no deal’ United Kingdom Exit from the European Union.</b> The Workgroup noted the proposed changes should the UK leave the EU without a deal.</li> </ul>	
<p><b>Other Workgroups</b></p>	
<ul style="list-style-type: none"> <li>• <b>0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme.</b> At the meeting held on 06 March, there was a review of the proposed systems BRD. It was proposed to arrange a Legal Text review meeting in April.</li> <li>• <b>0646R - Review of the Offtake Arrangements Document.</b> The Workgroup reviewed Modification 0683 and proposed OAD and supplemental agreement amendments. It was noted that the Modification 0683 had been submitted for consideration at 21 March Panel. It was anticipated that a further two Modifications would be required to take forward the recommendations from Workgroup 0646R.</li> </ul>	

- **Joint Theft Reporting Group (UNC & SPAA), including 0677R** - the first meeting took place on 01 March 2019. The Terms of Reference and Workplan were agreed at the meeting.
- The main focus of the meeting was to review the theft reporting process information provided by First Utility, Xoserve and ElectraLink. A draft issues log was developed and around 26 issues have been identified. The issues log will form the focus of the next meeting, where the group will aim to identify route causes and potential solution options.

## Transmission Workgroup Headlines [www.gasgovernance.co.uk/tx](http://www.gasgovernance.co.uk/tx)

At the meeting on 07 March the following were discussed/progressed:

- **Pre-Modification discussions**
  - *Amendment of the UNC term ‘Gas Deficit Warning’ to ‘Gas Balancing Notification’* – The Workgroup noted the intent of the draft Modification which was generally supported. It was noted that there might be an impact on the Transporters licence which would need to be considered.
  - *Recovery of Shipper costs during SoLR* – The proposer agreed to consider the comments received prior to submitting the Modification to the April Panel.

At the meeting on 07 March 2019, the following Modifications were discussed/progressed:

- **0667 – Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC.** The Workgroup discussed the amended Modification. It was noted that if implemented the Modification would require a change to the Transporters licence. It was agreed to seek a view from Panel prior to concluding the Workgroup Report for April Panel.
- **0669R - Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements.** The Workgroup considered the presentation and the impacts on the Margins notice trigger. The view was to conclude the Workgroup Report at the next meeting.
- **0671 – Relief from User Commitment obligations when NTS exit capacity substitution is permitted.** The Workgroup discussed the Modification and associated ROM. It was agreed to review an amended Modification at the next meeting.
- **0675S – Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow.** No further progress was made with this Modification and it was agreed to seek an extension to the Panel reporting date.
- **0680S - UNC Changes as a Consequence of ‘no deal’ United Kingdom Exit from the European Union.** The Workgroup noted the proposed changes should the UK leave the EU without a deal. Following review of the Solution and Legal text the Workgroup Report was concluded for submission to the 21 March Panel.

## Charging Methodology Forums

### Distribution Network Charging Methodology Forum (DNCFM)

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

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

At the meeting on the 05 March 2019:

- **Pre-Modifications:** Shell highlighted that a decision on raising an Alternative to 0678 could not yet be taken due to lack of availability of analysis for 0678.
- **Forecasted Contracted Capacity (FCC) Update** - National Grid confirmed an update will be forthcoming as part of 0678 Workgroup meetings. The FCC Methodology Statement v1.0 is now available: <http://www.gasgovernance.co.uk/0678>
- **0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS,** was progressed.

- National Grid confirmed the next update would be at the next meeting 02 April 2019.

### Other Workgroups

- **0678/A/B/C/D/E/F/G/H/I (Urgent) - Amendments to Gas Transmission Charging Regime.**
- Workgroup meetings began on 29 January 2019 and continued until 06 March 2019. Ofgem then decided to extend the timetable and National Grid has now provided 4 out of 5 additional documentation pieces specified by Ofgem:
  - Fully detailed FCC Methodology Statement with a governance framework
  - Final UNC678 Modification and full accompanying analysis
  - Legal text for UNC678
  - Final Sensitivity Tool for UNC678
- Ofgem requested National Grid complete a review of Existing Contracts. This has not yet been received.
- Workgroup meetings will re-commence on 25 March with further meetings on 28 March 2019, 02 April 2019 (part of NTSCMF), 04 April 2019, 08 April 2019 and the Workgroup Report will be finalised at the last Workgroup on 10 March 2019. Once the Draft Modification Report is issued for consultation on 12 March, representations can be made as usual, with consultation close out on 08 May 2019. The Final Modification Report (FMR) will be made available to Panel on 15 May 2019 for consideration at the scheduled UNC Modification Panel meeting on 23 May 2019. The FMR will then be issued to Ofgem for their ultimate consideration on 29 May 2019.

### UIG Workgroup Headlines

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

- At the meeting on 26 February 2019:
- **Pre-Modifications:** None.
- **0664 - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4.** The Workgroup noted that the amended Modification would be presented at the March meeting.
- **0672 - Incentivise Product Class 4 Read Performance.** No further progress was made with this Modification.
- The **UIG Task Force** presented a number of recommendations that they would be setting out in modifications with the aim of seeking support from industry participants to take the modification forward.

### Governance Workgroup Headlines

[www.gasgovernance.co.uk/DSC-Governance](http://www.gasgovernance.co.uk/DSC-Governance)

- At the meeting on the 08 March 2019, the main focus was finalisation of the scope for **0676R - Review of Gas Transporter Joint Office Arrangements**. The workgroup confirmed the industry could deliver the changes required and that an independent expert was not required at this stage.
- The Request Workgroup Report has now been submitted to the March 2019 Panel asking for them to note the inclusion of the scope and requests that Panel determines that the Workgroup continues.

### Committees Updates

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

- At the meeting on 25 February 2019 Xoserve explained that previously voluntary discontinuances (when a user wanted to leave the market), had been discussed at the Energy Balancing Credit Committee (EBCC) prior to the party leaving the market and that it meant that the user had to stay in the market for another month. The Committee agreed to a change that would let the user leave the market at the time of the voluntary discontinuance request.

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

- The key messages from the meeting held on 11 February 2019 are available here: <http://www.gasgovernance.co.uk/desc/summarykeymessages>
- The next meeting is to be held on 01 April 2019.

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

- The key messages from the meeting held on 12 February and 12 March 2019 are available here: [www.gasgovernance.co.uk/pac/summarykeymessages](http://www.gasgovernance.co.uk/pac/summarykeymessages)
- The next meeting is on 09 April 2019.

**AUG Sub Committee**

- At the meeting on the 15 March 2019 the key focus was to review the modified AUG Statement and the updated UIG Factors. This meeting was the last opportunity to raise any issues or concerns before the UNCC approval in April. Generally, participants were supportive of the work done by the AUGE, but some concerns were raised about the new theft methodology for 2019/20. In response, the AUGE confirmed that the new methodology better reflects theft usage and therefore is more accurate. The remaining timetable is as follows:
  - 01 April 2019 - AUGE to publish Final AUGS and Table
  - 12 April 2109 - AUGE to present Final AUGS and Table
  - 18 April 2019 - UNCC to consider Final AUGS and Table
  - Annual review of AUG process

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

**DSC Change Management Committee** - at the 13 February meeting:

- 9 new change proposals were presented and 8 were approved, 2 change proposals were withdrawn, and 2 solution/delivery option approvals were granted.
- Updates were also provided to the Committee on the following Releases:
  - Release 3
  - February 2019 release - Minor and Major release both on track for delivery
  - June 2019 release

**DSC Contract Management Committee**

- At the meeting on the 20 February 2019, Xoserve provided updates on the Amendment Invoice Issue and open AQ issues:
  - CDSP are to produce a resolution plan with associated deliverables/dates regarding the Amendment Invoice issues/work of the AML/ASP Task Force.
  - A dedicated area has been set up on the Xoserve website for the AQ process and all the latest information on the outstanding issues would be displayed in that section.
- CDSP highlighted that the CSS Consequential Workgroups would be completed in March and the high-level design BRD's had now been produced, together with process flow diagrams. A data cleansing procedure would need to be undertaken during the detailed planning phase.

**DSC Credit Committee**

- At the 25 February 2019 meeting CDSP provided an update on the termination of Utility Professional Business Operations Ltd (UPB). Although most of the sites had now transferred over to ScottishPower, some (circa 1500) had not done so. This was still being investigated by the Customer Life Cycle Team and discussions were taking place with ScottishPower on the matter.

**Things to Note...**

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