

Joint Office of Gas Transporters

July 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....

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>

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Implementation Dates		
UNC Ref	Title	Date
0651	Changes to the Retrospective Data Update provisions	to be determined
0652	Introduction of winter read/consumption reports and associated obligations	11 August 2019
0665	Changes to Ratchet Regime	01 July 2019
0675S	Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow	12 July 2019

New Modifications discussed at June 2019 Panel	
<p>0693R - Treatment of kWh error arising from statutory volume-energy conversion http://www.gasgovernance.co.uk/0693</p>	<ul style="list-style-type: none"> ▪ A new standalone Request Workgroup will be established. ▪ The date of the first meeting will be on 16 July 2019. ▪ Initial representations for consideration at Workgroup are requested no later than 11 July 2019. ▪ Workgroup report to be presented to the 19 December 2019 Modification Panel.
<p>0694R - CDSP provision of Class 1 Read service http://www.gasgovernance.co.uk/0694</p>	<ul style="list-style-type: none"> ▪ A new Request Workgroup will be established. ▪ Request 0694R will be considered within the Distribution Workgroup on the 27 June 2019. ▪ Initial representations for consideration at Workgroup are requested no later than 11 July 2019. ▪ Workgroup report to be presented to the 19 December 2019 Modification Panel.
<p>0695S - Obligations on Shippers to pass Transporter compensation payments on to consumers, via Suppliers http://www.gasgovernance.co.uk/0695</p>	<ul style="list-style-type: none"> ▪ A new Workgroup will be established. ▪ Modification 0695S is suitable for Self-Governance. ▪ Modification 0695S will be considered within the Distribution Workgroup on the 27 June 2019. ▪ Initial representations for consideration at Workgroup are requested by 11 July 2019. ▪ Workgroup report to be presented to the 19 September 2019 Modification Panel.
<p>0696 - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs http://www.gasgovernance.co.uk/0696</p>	<ul style="list-style-type: none"> ▪ A new Workgroup will be established. ▪ Modification will follow Authority Direction procedures. ▪ Modification 0696 will be considered within the Distribution Workgroup on the 27 June 2019. ▪ Initial representations for consideration at Workgroup are requested by 11 July 2019. ▪ Workgroup report to be presented to the 18 July 2019 Modification Panel.
Existing Modifications for Reconsideration discussed at June 2019 Panel	

None	
Workgroup Reports discussed at June 2019 Panel	
0647 - Opening Class 1 reads to Competition https://www.gasgovernance.co.uk/0647	<ul style="list-style-type: none"> Consideration of the Workgroup Report was deferred as the proposer indicated the intention to withdraw the Modification now that the Request 0694R has been raised.
0677R - Shipper and Supplier Theft of Gas Reporting Arrangements https://www.gasgovernance.co.uk/0677	<ul style="list-style-type: none"> Referred to Workgroup for further assessment. Date for the next meeting is 28 June 2019. Workgroup report to be presented to the 17 October 2019 Modification Panel.
0681S - Improvements to the quality of the Conversion Factor values held on the Supply Point Register https://www.gasgovernance.co.uk/0681	<ul style="list-style-type: none"> Issued to Consultation, which closes on 11 July 2019. The Final Modification Report will be presented to the 18 July 2019 Modification Panel at short notice.
0682 - Market Participant MDD Migration to UNC Governance from the SPAA https://www.gasgovernance.co.uk/0682	<ul style="list-style-type: none"> Issued to Consultation, which closes on 11 July 2019. The Final Modification Report will be presented to the 18 July 2019 Modification Panel at short notice.
Variation Requests discussed at June 2019 Panel	
None	
Final Modification Reports discussed at June 2019 Panel	
0667 - Inclusion and Amendment of Entry Incremental Capacity Release NPV test in https://www.gasgovernance.co.uk/0667	<ul style="list-style-type: none"> No new issues were identified. Panel recommended 0667 was suitable for implementation by majority vote.
0675S - Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow https://www.gasgovernance.co.uk/0675	<ul style="list-style-type: none"> Modification is suitable for Self-Governance by unanimous vote. Modification to be implemented on 12 July 2019. Deadline for appeals is 11 July 2019.
0680S - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union https://www.gasgovernance.co.uk/0680	<ul style="list-style-type: none"> Consideration was deferred until the 18 July 2019 Modification Panel.
0685 - Amendment of the UNC term 'Gas Deficit Warning' to 'Gas Balancing Notification' https://www.gasgovernance.co.uk/0685	<ul style="list-style-type: none"> No new issues were identified. Panel recommended 0685 was suitable for implementation by majority vote.
0686 - Removal of the NTS Optional Commodity Rate with adequate notice https://www.gasgovernance.co.uk/0686	<ul style="list-style-type: none"> No new issues were identified. Panel did not recommend 0686 was suitable for implementation by majority vote.
Distribution Workgroup Headlines	www.gasgovernance.co.uk/dist
<ul style="list-style-type: none"> At the meeting on 27 June 2019: 	

- **Pre-Modifications** - The Workgroup provided comments on the areas they would consider need to be addressed prior to the following draft modifications being submitted to Panel.
 - Must Read Process Grace Period for Gaining Shipper.
 - Rationalisation of TPD Section V and Data Permissions Matrix.
- **0647** - *Opening Class 1 reads to Competition*. This Modification was withdrawn prior to the meeting.
- **0687S** - *Clarification of Supplier of Last Resort Cost Recovery Process*. The Workgroup reviewed the draft SoLR process provided by Xoserve and the options for managing the process.
- **0689** - *Removing the requirement to support Invoice queries before the due date with information from the .AML file*. The proposers representative noted that Xoserve were considering options to resolve the underlying issue and requested discussions were put on hold until confirmation was received. An extension to October Panel is to be requested.
- **0692S** - *Automatic updates to Meter Read Frequency*. The proposer advised that they were considering further amendments to the Modification and intended to meet with Xoserve to consider options for implementation so that these could be included in the Modification.
- **0694R** - *Agenda CDSP provision of Class 1 Read service*. The proposer provided an overview of the Request and the reasons why they had withdrawn Modification 0647. Participants were to consider options for a service to be provided by the CDSP and/or contracted by the CDSP.
- **0695S** - *Obligations on Shippers to pass Transporter compensation payments on to consumers, via Suppliers*. The proposer introduced the Modification, explaining that there were requirements on both Transporters and Suppliers to provide compensation and this Modification proposed to bring Shippers in line with these arrangements. The Workgroup anticipated that the Workgroup Report would be concluded at the next meeting.
- **0696** - *Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs*. The proposers representative explained that there was a conflict in the process between the NExA and UNC which needed to be corrected. Workgroup agreed the process should be reviewed but were unconvinced that the justification for retrospective implementation had been made and requested that a 2 month extension is requested from Panel.

Other Workgroups

- **0646R** - *Review of the Offtake Arrangements Document*. The Workgroup reviewed Modification 0683 agreeing that further clarification was required on the information required for shared sites and managing redundant assets. The aim is to conclude the Workgroup Report for 0683 by September 2019. Workgroup agreed an additional Modification is required to implement further changes to OAD.
- **Joint Theft Reporting Group (UNC & SPAA), including 0677R** - the fifth meeting took place on 28 June 2019.
- At the meeting the Workgroup investigated the potential solution options for the various issues identified. Action updates were also provided by Xoserve and the AUGE to assist with this process. An extension has been granted by both UNC Panel and SPAA to allow further time to undertake the review and it is expected the final report will be presented to the October Panel.

Transmission Workgroup Headlines	www.gasgovernance.co.uk/tx
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- At the meeting on 04 July 2019 the following were discussed/progressed:
- **Pre-Modifications** -
- *Improvements to Margins Notice Arrangements*

National Grid NTS introduced the draft Modification and explained the purpose of it was to make a number of improvements to the arrangements for National Grid NTS provision of

Margins Notices (UNC TPD V5.9.3) and introduce a new 'early warning' notice as per the recommendations of Request 0669R.

This new Modification will be submitted to the July Panel.

- **0669R** - *Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements.* The Workgroup considered the latest updates and some Workgroup participants requested that more information was required in relation to the rationale as to Usable Stock. A one-month extension would be requested at the July Panel and the Workgroup Report would be completed for the August Panel.
- **0662** - *Revenue Recovery at Combined ASEPs*
Further work on Modification 0662 is suspended awaiting the outcome of Modification 0678 and its alternatives.
- **0688** - *Recovery of Shipper Losses incurred in Supplier of Last Resort events*
A two-month extension will be requested at the July Panel, and the amended Modification will be reviewed at the August meeting.

Charging Methodology Forums

Distribution Network Charging Methodology Forum (DNCFM) www.gasgovernance.co.uk/dncmf

- DNs presented the Allowed Revenue Reports on 25 June 2019. The next meeting is on the 24 September 2019.

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

- At the meeting on 02 July 2019 the following was discussed/progressed:
- **Pre-Modifications** - No draft modifications presented for discussion.
- **Forecasted Contracted Capacity (FCC) Update** – It was agreed that a process description which shows when Transmission Revenue Recovery Charges (TSRRC) charges will be set, reviewed and updated and when this will happen, together with the duration of any charge would be helpful.

A standard agenda item to be placed on the NTSCMF agenda – FCC Methodology Review.

It was agreed that National Grid would overlay some scenarios onto the illustration provided at the 02 July 2019 meeting. National Grid urged Workgroup participants to provide any scenarios that they would like overlaid in order to add extra clarity.

- **Long Term Revenue Forecasts** – Workgroup discussed the possibility of asking for a one-off derogation to allow for the setting of charges in April 2020 should this be required. It was added that this was previously requested for April 2013 and a non-UNC consultation was carried out prior to the derogation being granted.
- **0670R** - *Review of the charging methodology to avoid the inefficient bypass of the NTS.* It was agreed that a draft Workgroup Group Report will be reviewed at the next meeting on 30 July 2019. Further Consideration of Optional Methods and Charges are to be undertaken at the next meeting.

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

- At the meeting on 24 June 2019:
- **Pre-Modifications:** None
- **0664** - *Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4.* The amended Modification was discussed, and the proposer confirmed the Modification will be withdrawn and that SSE intend to adopt the Modification.
- **0672** - *Incentivise Product Class 4 Read Performance.* Modification scope has been simplified to remove the charging elements. Two-month extension to be sought at the July Panel meeting.

- **0690S** – *Reduce qualifying period for Class 1*. Workgroup sought clarification on the rationale for excluding Class 2 sites. An amended Modification is to be discussed at the July meeting.
- **0691S** – *CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met*. An amended Modification is to be discussed at the next meeting.

Governance Workgroup Headlines

<http://www.gasgovernance.co.uk/gov>

- The next meeting is to be held on 30 July 2019 and will include:
 - **0676R** - *Review of Gas Transporter Joint Office Arrangements*.

Committees Updates

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

- The meeting on the 24 June 2019 was cancelled and an operational update was provided.
- The next meeting is to be held on 29 July 2019.

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

- The key messages from the DESC meeting held on 08 July 2019 are available here: www.gasgovernance.co.uk/desc/summarykeymessages
- The next meeting is to be held on 22 July 2019.

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

- The key messages from the meeting held on 09 July 2019 are available here: www.gasgovernance.co.uk/pac/summarykeymessages
- The next meeting is on 13 August 2019.

AUG Sub Committee

- Dates for the 2019/20 process/meetings have now been published.

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

DSC Change Management Committee - at the meeting on the 12 June 2019:

- There were 3 new change proposals, which were approved and 1 was withdrawn. 2 further change proposals had completed the capture stage and were approved for delivery.
- Updates were provided to the Committee on the Releases planned for 2019 and 2020.
- Change congestion over the next 24 months was discussed again and Xoserve indicated that they have been considering how they may best meet the changes required and maintain levels of service. However, a strategic outline and timeline plan were not made available for the meeting as requested by the Committee and further discussion was deferred until the next meeting as a result.

DSC Contract Management Committee

- At the meeting on the 19 June 2019 Xoserve highlighted that the AUG weighting factors for 19/20 (that are used to allocate UIG across the customer base) are expected to lead to an increased migration of sites from Class 4 to Class 3 and this has raised issues with the system's ability to cope with increased daily reads and batch files of reads. Xoserve are to arrange a workshop to discuss options to resolve the issue.
- Two Disclosure Request Reports were approved; amending the Data Permission Matrix to facilitate services to Meter Asset Providers and extending additional data items to Suppliers and Shippers via API.

DSC Credit Committee

- The meeting on the 24 June 2019 was cancelled and an operational update was provided.

Things to Note...

- The **UNC User Representatives Appointment process** for 2019/20 is summarised below:
 - SPoCs have been invited to nominate Modification Panel/UNCC and Sub-Committee representatives by 5pm 22 July 2019.
 - By 01 August 2019 - if an election is required the details of candidates and ballot papers will be issued to SPoCs.
 - By 01 September 2019 - Joint Office will issue notification of the elected candidates.
 - 01 October 2019 – elected members will take up positions on the UNC Modification Panel and Sub-Committees.
- **New event!** If you or your colleagues are new to the Gas Industry or the Modification process and would like to attend a Joint Office Event Day to learn more about the Modification process and how the Joint Office operates, please express your interest to attend this session. The potential date will be in early December and this date will be confirmed in due course. Please express your interest via email to: enquiries@gasgovernance.co.uk
- **Internal Visit from the Joint Office** Would you or a number of your colleagues benefit from a visit from the Joint Office Team to provide an overview of how the Joint Office operates and to give an insight into the Modification process, please do contact us via the email. enquiries@gasgovernance.co.uk

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