

Joint Office of Gas Transporters

August 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	tbc
0652	Introduction of winter read/consumption reports and associated obligations	11 August 2019
0681S	Improvements to the quality of the Conversion Factor values held on the Supply Point Register	tbc
0685	Amendment of the UNC term 'Gas Deficit Warning' to 'Gas Balancing Notification'	01 October 2019

New Modifications discussed at July 2019 Panel

<p>0697S - Further Realising the Benefit of the Data Permissions Matrix and UNC Consistency Review http://www.gasgovernance.co.uk/0697</p>	<ul style="list-style-type: none"> Deferred for further consideration at 15 August Panel 2019.
<p>0698S – Improvements to Margins Notice Arrangements http://www.gasgovernance.co.uk/0698</p>	<ul style="list-style-type: none"> This Modification will follow self-governance procedures. This Modification has been submitted straight consultation. Modification report to be presented to 15 August 2019 Modification Panel.
<p>0699 - Incentivise Key Areas of Performance using additional UIG Charges http://www.gasgovernance.co.uk/0699</p>	<ul style="list-style-type: none"> This Modification will proceed under Authority Direction. This Modification will be considered within the Distribution workgroup on 25 July 2019. Initial representations for consideration at workgroup are requested no later than 08 August 2019. Workgroup report to be presented by 16 January 2020 Modification Panel.

Existing Modifications for Reconsideration discussed at July 2019 Panel

None	
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Workgroup Reports discussed at July 2019 Panel

<p>0662 –Revenue Recovery at Combined ASEPs http://www.gasgovernance.co.uk/0662</p>	<ul style="list-style-type: none"> Panel determined that this Modification be returned to the 01 August 2019 Transmission workgroup for further assessment. A Report is to be presented by 17 October 2019 Modification Panel.
<p>0664 – Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4 http://www.gasgovernance.co.uk/0664</p>	<ul style="list-style-type: none"> Panel determined that this Modification be returned to the 23 July 2019 UIG workgroup for further assessment, A Report is to be presented by 19 December 2019 Modification Panel.

<p>0669R – Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements http://www.gasgovernance.co.uk/0669</p>	<ul style="list-style-type: none"> ▪ Panel determined that this Request be returned to the 01 August 2019 Transmission workgroup for further assessment. ▪ A Report is to be presented by 15 August 2019 Modification Panel.
<p>0672 - Measure and Reporting Product Class 4 Read Performance http://www.gasgovernance.co.uk/0672</p>	<ul style="list-style-type: none"> ▪ Panel determined that this Modification be returned to the UIG workgroup on 23 July 2019 for further assessment. ▪ A Report is to be presented by 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"> ▪ Panel determined that this Modification be returned to the Distribution workgroup on 25 July 2019 for further assessment. ▪ A Report is to be presented by 15 August 2019 Modification Panel.

Variation Requests discussed at July 2019 Panel

<p>None</p>	
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Final Modification Reports discussed at July 2019 Panel

<p>0680S –UNC Changes as a Consequence of ‘no deal’ United Kingdom Exit from the European Union http://www.gasgovernance.co.uk/0680</p>	<ul style="list-style-type: none"> ▪ Deferred for further consideration at 15 August 2019 Panel.
<p>0681S –Improvements to the quality of the Conversion Factor values held on the Supply Point Register http://www.gasgovernance.co.uk/0681</p>	<ul style="list-style-type: none"> ▪ No new issues were identified. ▪ Implementation was unanimously supported. ▪ To be implemented (self-governance at 05.00 on a date be determined).
<p>0682 –Market Participant MDD Migration to UNC Governance from the SPAA http://www.gasgovernance.co.uk/0682</p>	<ul style="list-style-type: none"> ▪ No new issues were identified. ▪ Panel recommended 0682 was suitable for implementation by a majority vote (13 out of 13). ▪ Awaiting Ofgem decision.

Distribution Workgroup Headlines

www.gasgovernance.co.uk/dist

At the meeting on 25 July 2019 the following were discussed/progressed:

- **0687S - Clarification of Supplier of Last Resort Cost Recovery Process:**
 The Workgroup completed the Workgroup Report, this will be presented to the August UNC Panel.
- **0692S - Automatic updates to Meter Read Frequency:**
 The Workgroup reviewed the amendments made to the Modification and agreed further minor amendments.
- **0694R - Agenda CDSP provision of Class 1 Read service:**
 The Workgroup noted that Xoserve are progressing discussions with DMSPs with regard to potentially novating the contract. The service will remain as-is and a draft Modification will be produced for the next meeting.

- **0695S** - *Obligations on Shippers to pass Transporter compensation payments on to consumers, via Suppliers:*
The Workgroup completed the Workgroup Report, this will be presented to the August UNC Panel.
- **0696** - *Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs:*
The Workgroup noted the amendments made to the Modification and the Workgroup Report was finalised and will be presented to the August UNC Panel.
- **0699** - *Incentivise Key Areas of Performance using additional UIG Charges:*
The Workgroup held an initial discussion on the proposals. The Workgroup suggested a number of options to pursue which should include:
 - Whether having UIG as the basis of the charge is appropriate
 - How the collected money would be redistributed
 - How this proposal ties in with all the other UIG mods

Other Workgroups

- **0646R** - *Review of the Offtake Arrangements Document:*
The Workgroup reviewed the amendments made to Modification 0683 agreeing that an extension should be requested at the August 2019 UNC Panel and an amendment to the draft legal text is required.
- **Joint Theft Reporting Group (UNC & SPAA), including 0677R** - the sixth meeting took place on 28 June 2019.
- At the meeting the Workgroup investigated a number of actions related to the potential solution options for the various issues identified. The group extensively compared the mandatory data items required to raise and process a theft contact in the Contact Management System (CMS) with the data items provided by Suppliers in TRAS outcome files. There may be significant benefits in aligning the TRAS data to that required in CMS as there are currently considerable numbers of thefts in TRAS that are not in CMS and vice versa.

Transmission Workgroup Headlines

www.gasgovernance.co.uk/tx

At the meeting on 01 August 2019 the following were discussed/progressed:

- **Pre-Modifications:** None
- **0662** - *Revenue Recovery at Combined ASEPs* – development deferred awaiting the outcome of Modification 0678 and its alternatives.
- **0669R** - *Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements:*
The Workgroup completed the Workgroup Report for submission to the August Panel.
- **0671** - *New Capacity Exchange process at NTS exit points for capacity below baseline* – discussion was deferred until September.
- **0688** - *Recovery of Shipper Losses incurred in Supplier of Last Resort events* – discussion was deferred until September.
- **Capacity Access Review** – National Grid highlighted that Ofgem had decided not to include an NTS access review as part of RIIO2 business plan and instead, they were considering doing a review through a UNC Request or a National Grid project. Parties were asked to contact National Grid with suggested topics for consideration.

Charging Methodology Forums

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

The next meeting is on the 24 September 2019.

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

At the meeting on 30 July 2019 the following was discussed/progressed:

- **Pre-Modifications** - No draft modifications presented for discussion.
- **Ofgem update** - Cambridge Economic Policy Associates (CEPA) have been appointed to undertake the impact assessment with regard to Modification 0678. CEPA will be carrying out one or two stakeholder sessions.
- **Forecasted Contracted Capacity (FCC) Update**
National Grid provided a presentation showing how specific scenarios would be considered and their interaction with setting or updating Transmission Services (Entry and Exit) Revenue Recovery Charges (TSRRCs). Workgroup also re-visited the FCC calculation and if GDNs should be considered differently to non-GDNs. Workgroup concerns focused on the FCC methodology and GDN booking obligations. National Grid's view is that the methodology is fit for purpose for the current licence obligations.
- **Long Term Revenue Forecasts:**
Workgroup asked for more information to be provided at the next meeting on the potential tariff implications based on the RII0-2 business plan.
- **0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS:**
Workgroup agreed that the review group should continue, and a six-month extension should be requested at the August Panel meeting. The focus of the next meeting is to review the objectives set out in the terms of reference and in particular, consider the impact of short haul, the electricity generation impacts and what analysis is available/needed.

UIG Workgroup Headlines

www.gasgovernance.co.uk/UIG

- At the meeting on 23 July 2019:
- **Pre-Modifications:** None
- **0664 - Transfer of Sites with Low Read Submission Performance from Class 2 & 3 into Class 4:**
The amended Modification was discussed, and it was confirmed that this Modification had been adopted by SSE. An amended Modification is to be considered at the next meeting, together with the business rules, Legal text and a ROM. The aim is to conclude the Workgroup Report for submission to the September Panel.
- **0672 - Incentivise Product Class 4 Read Performance:**
Modification scope has been simplified to remove the charging elements. The amended Modification was discussed, it was agreed the Legal text, costs and confirmation of impacts to the IGT's from a legal perspective would be confirmed at the next meeting.
- **0690S – Reduce qualifying period for Class 1:**
Workgroup sought clarification on the rationale for excluding Class 2 sites. An amended Modification was discussed, and it was agreed that further detail should be included to provide clear requirements, together with consideration of the draft Legal Text and development of the Workgroup Report at the August Meeting.
- **0691S – CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met:**
An amended Modification was discussed and it was agreed that further detail should be included regarding the impacts to the IGT's from a legal perspective, together with consideration of the draft Legal Text, a ROM and the development of the Workgroup Report to encompass the relevant objectives, for discussion at the August Meeting.

Governance Workgroup Headlines

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

- At the meeting on the 30 July 2019, Ofgem gave an update on their joint consultation with BEIS on Reforming the Energy Industry Codes, which is available for consultation responses from 22 July 2019 – 16 September 2019.

- **0676R** - *Review of Gas Transporter Joint Office Arrangements*. Joint Office provided an overview of the Joint Office annual costings from 2013 to 2019 and the ENA provided views on the Critical Friend and Legal Text processes. Parties have been asked to provide information on other aspects relating to the scope of the review for discussion at the next meeting on 02 September 2019.

Committees Updates

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

- The meeting on the 29 July 2019 was cancelled due to no attendees. In the meantime, committee members have been asked to consider moving the meetings to quarterly with the next meeting on 23 September 2019.

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

- The key messages from the DESC meeting held on 22 July 2019 are available here: www.gasgovernance.co.uk/desc/summarykeymessages
- The next meeting is to be held on 07 October 2019.

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

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

AUG Sub Committee

- The introductory meeting for the 2019/20 AUG year was held on 24 July 2019. The outcomes of the CDSP review of the 2018/19 year will be presented to the UNCC in August. The early engagement meeting will be held on 30 September 2019. Industry parties are encouraged to feed into the process at any time.

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

DSC Change Management Committee - at the meeting on the 10 July 2019:

- There were 2 new change proposals, which were both approved. 6 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 the Committee agreed with Xoserve that the June 2020 release should continue as planned, with as many change proposals included as possible. The committee asked for Xoserve's views on how to best prioritise change proposals going forward and what the capacity of a major release looks like.

DSC Contract Management Committee

- At the meeting on the 17 July 2019 Xoserve provided a strategy update, reporting that several independent Audits have been undertaken and raised concerns about the UKL platform stability. A further update will be provided in September and will clarify next steps and budget required for the different proposals to address the problems identified, including standing-up a new performance testing environment and investing in data-profiling capability to start monitoring data quality in real time.
- One Disclosure Request Report was approved; Provision of additional data via Data Discovery Platform (BIRST) for Shippers.

DSC Credit Committee

- The Committee agreed to move to quarterly meetings and the next meeting is now the 23 September 2019.

Things to Note...

- The **UNC User Representatives Appointment process for 2019/20** is now complete as summarised below:

From **01 October 2019** – elected members will take up positions on the UNC Modification Panel and Sub-Committees as detailed below:

- **UNC Panel User Representatives**
 - Andrew Green, Total Gas & Power Ltd
 - Dan Fittock, Corona Energy
 - Mark Bellman, Scottish Power
 - Richard Fairholme, Uniper
 - Steve Mulinganie, Gazprom
 - Mark Jones, SSE
- **UNC Panel Independent Supplier Representative**
 - None

- **Sub-Committees**

The following representatives have been appointed to the sub-committees.

- **Performance Assurance Committee (PAC)**
 - Lisa Saycell, Gazprom
 - Louise Hellyer, Total Gas & Power
 - Mark Bellman, Scottish Power
 - Sallyann Blackett, E.ON
 - Sean Cooper, npower
 - Karen Kennedy, British Gas
 - Alison Wiggett, Corona Energy
 - Carl Whitehouse, Shell Energy
 - Mark Jones, SSE
- **Demand Estimation Sub-Committee (DESC)**
 - Anupa Purewal, E.ON
 - John Jones, Scottish Power
 - Louise Hellyer, Total Gas & Power
 - Jason Blackmore, British Gas
 - Mark Jones, SSE
- **Energy Balancing Credit Committee (EBCC)**
 - David Holland, Scottish Power
 - Lavinia Mistreanu, E.ON
 - Thomas Grove, British Gas
 - Jane Morrison, SSE
- **DSC Credit Committee**
 - Lavinia Mistreanu, E.ON
 - Jane Morrison, SSE
- **DSC Change Management Committee**

- **Shipper Class A**
- Stephanie Clements, Scottish Power
- Mark Jones, SSE
- **Shipper Class B**
- Lorna Lewin, Orsted
- **Shipper Class C**
- Alison Neild, Gazprom
- **DSC Contract Management Committee**
 - **Shipper Class A**
 - Stephanie Clements, Scottish Power
 - Clare Cattle-Jones, SSE
 - **Shipper Class B**
 - Lorna Lewin, Orsted
 - **Shipper Class C**
 - Steve Mulinganie, Gazprom
- The UNC Panel and Sub-Committee website pages will be updated on or around 01 October 2019 to reflect these memberships.
- We would like to congratulate all of the successful nominees on their appointments and we look forward to working with you through the coming year.

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