

IGT UNC 23-04 Modification Workstream Meeting

Draft Minutes

Thursday, 13th April 2023 via Teleconference

Attendee	Initial	Organisation	Notes
Anne Jackson	AJ	Gemserv	Chair
Ashley Foster	AF	Indigo Pipelines	Standing in for Cher Harris (CH)
Charlotte Gilbert	CG	BUUK	
Claire Louise Roberts	CR	Scottish Power	
David Morley	DM	OVO	Present for item 7
Ellie Rogers	ER	Xoserve	
Jenny Rawlinson	JR	BUUK	
Isaac Moore	IM	Gemserv	Secretariat
Michelle Brown	MB	Energy Assets	
Oorlagh Chapman	OC	Centrica	Present for items 4 through 10
Rebecca Hailes	RH	Joint Office of Gas Transporters	Present for items 1 through 8
Talia Lattimore	TL	Gemserv	

1. Welcome and Apologies for Absence

The Chair welcomed attendees to the meeting and accepted apologies received from Cher Harris (CH).

2. Confirmation of Agenda

The Chair confirmed the items for discussion as outlined in the Final Agenda and asked attendees for ‘Any Other Business’ (AOB) items. Michelle Brown (MB) added item 9 – Maternity Leave. Jenny Rawlinson (JR) added item 10 – IGT Mirror Modification for the UNC Theft Modification.

3. Approval of the Previous Minutes 23-03

Talia Lattimore (TL) informed the Workgroup that comments were received on the draft 23/03 Modification Workstream meeting minutes prior to the meeting. These were from JR, regarding Modification IGT164 – Alignment with DCP349 and Provision of unsecured Credit. The amended text was to clarify the intent of the Modification, with regards to parties accumulating a good credit history. JR agreed with the amendments. The Workgroup approved the minutes as a true and accurate record of the meeting.

4. Outstanding Actions

TL informed the Workgroup that there was one outstanding action:

- **23/03 - 01:** All Workgroup members to review RG005 Review Group Report prior to the April Workgroup meeting.

TL informed the Workgroup that comments on RG005 Review Group Report were due back on 19th April. TL added that some responses were received confirming that the report reflected an accurate account, and one response highlighted a typo in the report. The Chair told the Workgroup that following the close of the review the Review Group Report would go to Panel in May. It was agreed this action should be closed.

5. Cross-Code Modification Implications Tracker

TL presented the Cross-Code Modifications tracker to the Workgroup. This included:

Watch list:

- **UNC0845 Enhancements to Demand Side Response arrangements including a D-5 Product:** It was noted that this Modification is an output of the 0835R – Review of Gas Demand Side Response Arrangements. TL noted that the Modification has not been properly assessed, as it was only recently raised. It will be assessed at the next UNC Workgroup meeting.
- **UNC0844 Enabling Direct Contractual Arrangements with Consumers for Demand Side Response:** It was noted that this Modification has been raised by National Grid. RH inquired about the difference between “impact”, noted in the Report for UNC0845 and “potential impact” for UNC0844. TL said that the impacts have not been fully determined because the Modifications are very recent. JR added that they have put forward BUUK to raise the mirror Modifications to 0822 – Reform of Gas Demand Side Response Arrangements and 0833 Enabling Demand Side Response (DSR) Market Offers to be made by Non-Trading System Transaction. Any Modifications that relate to Demand Side Response should be considered as part of the Modification they are looking to raise.
- **UNC0843 Establishing the Independent Shrinkage Charge and the Independent Shrinkage expert:** TL noted that this Modification would be discussed today and that that any automatic change due to existing cross references was unclear for the time being as final legal drafting was needed. RH believed that this Modification would impact IGT sites. TL noted that the impact depends on what is changing in the UNC and it is the Proposer’s intention to raise any necessary IGT UNC Modification.
- **UNC0842 Gas Entry onto the Total System via an Independent Gas Transporter:** TL noted that this will impact IGTs. RH provided some background information regarding the Modification, coming from the UNC0808 - Reverse Compression Modification. JR suggested that the Proposer of the UNC Modification be invited to speak at the following Workstream meeting. TL confirmed that they would reach out to the Proposer and invite them to a future meeting.

- **UNC0841 Introduction of cost efficiency and transparency requirements for the CDSP Budget, and revision to DSC change processes:** It was noted that this Modification was allocated to Workgroup and due at Panel in June. RH added that the legal text for this Modification, which was included with the submission of the Proposal, did not come from the allocated legal text provider. It is possible that Cadent, the provider, will rewrite the text. JR stated that in these cases the Proposer should automatically be invited when a change is required to the IGT UNC. JR said that there should be a discussion to determine whether or not a change is required in the IGT UNC. They believed this should be done with every change that is done at a UNC level. Orlagh Chapman (OC) determined that there would not need to be a change at the IGT UNC level. It was highlighted that the process will be tested with David Morley's (DM) appearance for item 7. TL said that they would record OC's determination that no change would be required in the IGT UNC in the new tab for IGT UNC Impact assessments, under the cross-code tracker.
- **UNC0831A Allocation of LDZ UIG to Shippers (Class 3 and 4):** It was noted that this Modification is based on a straight throughput Method. The Modification is due to be sent to the UNC Panel in September.
- **UNC0831 Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method** TL added that both modifications were added back to the register because an alternate was raised.
- **UNC0819 Establishing/Amending a Gas Vacant Site Process:** OC believed that this Modification would apply to all sites. They added that they will raise a separate Modification to apply to IGT sites. The Chair noted that the CA would only look at how that UNC Mod is reflected in the IGT UNC. The Chair informed OC that Panel was scheduled for the 28th April, with paper day being the 21st April. OC said that they could send across the equivalent Modification by the 20th. JR said that this decision making is exactly the kind of governance and awareness that would be discussed in the cross-code working. JR asked OC how the capacity charging would work on IGT sites. They added that the way in which the UNC sets out the process would not make a difference to the IGT sites. The Chair said that OC would still need to raise the Modification, where vacant status is also applied to IGT sites. The Modification would inform on when the process is implemented and removed. This would impact both charging and supply. It was noted that capacity charging is not in the IGT UNC.
- **UNC0816S Update to AQ Correction Processes:** It was noted that the report for this Modification is due in May. It is difficult to determine whether or not there will be an impact on IGTs, since the Legal Drafting is not final.
- **UNC0813 Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers:** Awaiting Ofgem decision on 19th May 2023.
- **UNC0811S Shipper Agreed Read (SAR) exceptions process:** An estimated implementation date has been added.
- **UNC0808 Reverse Compression:** Report is due to go to Panel in June.

- **UNC0799 UNC arrangements for the H100 Fife Project (100% Hydrogen):** No implementation date yet.
- **UNC0734 Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers:** With effect from 1st April. ER added that this requires theft information from RECCo coming to the CDSP. This would happen in either May or June.

IGT UNC Impact assessments

TL presented a new section of the tracker which included information like impact assessment date, summary of discussions, whether or not the Modification is required, if it should be a mirror Modification etc... TL suggested that as Code Administrator, they complete this section with the other Modifications in the Watchlist and then the Workgroup could start using it from the next meeting. The Workgroup agreed with this approach.

Action 23/04 - 01: CA to invite the Proposer of UNC0842 to the Workgroup meeting on 11th May 2023.

6. IGT Known Issues Register

TL presented the Known Issues Register to the Workgroup. In reference to the previous Workgroup meeting, the following item was added to the Known Issues Register:

- IGT UNC and UNC Cross Code Working

TL informed the Workgroup that nothing had changed on the register since the last meeting. The Workgroup had no questions regarding the Register.

7. UNC0828R – Introduction of an Independent Shrinkage expert

The Chair welcomed David Morley (DM) to present on this Modification. DM informed the Workgroup that, under the Modification, the Shrinkage calculation process will be changed. Currently there are set leakage rates which are multiplied by the length of the pipe which is in the ground. The Distribution Network Operator (DNO) will purchase gas to cover the lost gas. DM added that this is a rigid model, and it cannot adapt to new situations. DM has suggested an Independent Shrinkage Expert role, outside of operational and financial bias. A new multiplication factor would then result in a different charge being applied. DNs have pushed back because this falls within the sphere of their licence. DM informed the Workgroup that the Modification is a result of the UNC0828R –Introduction of an Independent Shrinkage Expert review group. DM raised the Modification to introduce the Independent Shrinkage Expert role into the UNC.

Considering IGTs, DM told Workgroup that 19Gw/h of Unidentified Gas (UIG) is attributed to IGT networks. They added that Shippers should not be paying for this, instead the cost should go back to the IGT. DM asked the Workgroup for their opinions. JR asked about the intention that the Modification be applied to IGT supply points and raising an IGT UNC mirror Modification. They asked about the 19Gwh attributed to IGT sites, asking if this figure came from a certain methodology in the

calculation. JR explained that there are older supply points in the GDN networks, whereas IGT supply points are newer and less likely to leak gas. DM responded that the methodology is based on where pipes link into the network (CSEP). JR then asked about the wording inside the UNC Modification noting that the Independent Shrinkage Expert quantities might need to be adjusted. DM agreed to look at the calculations and make any necessary corrections.

JR's asked about making transporters more accountable for leakages and are unsure that this Modification would ensure this. GDNs would recover costs via transportation charges, which would ultimately find their way to consumers. DM responded that it will allow Ofgem to set an environmental cap, noting that they have a meeting with Ofgem later in the week. JR said whether there would be additional costs incurred and also requested that DM provide an update on their meeting with Ofgem to help IGTs understand implications. IGTs have no costs attributed to leakage, since they are set at zero and that IGTs have a relative price control, not the RIIO price control, so it would come off their bottom line. DM advised that the purpose would be to eliminate the UIG techniques and transform it into a Shrinkage methodology.

RH noted the recently raised UNC Modification, UNC0845 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert, advising that the Modification will be presented to UNC Panel on 20th April and advised that UNC0828R will need to be withdrawn and suggested that this be done as part of the Panel meeting proceedings. DM acknowledged this recommendation.

JR asked when the IGT mirror Modification would be raised. DM said that this would not necessarily be a mirror Modification, because quite a small amount of it concerns the IGTs. They will consider raising the Modification as part of UNC Workgroup discussions. RH confirmed that they saw no reason why the Modification would not go to Workgroup.

The Chair informed DM of the calculation mechanism rate that has been set through UNC IGTAD, noting that since it has been set it has not been changed. The Chair asked IGTs if the Independent Networks Association (INA) regularly discuss shrinkage. JR confirmed that the conversation does indeed happen in the INA technical sub-committee.

DM asked if the AUGE Workgroup has discussed the shrinkage process. They added that it would be good to have this question regularly addressed at the INA sub-committees. The Chair suggested that they write to the INAs, in a more formal way. JR agreed that this would be a good strategy to follow.

Charlotte Gilbert (CG) informed Workgroup that the gas subcommittee is a monthly meeting. The Chair asked if DM had any further questions. DM advised that they would be interested in the outcome and INA conversation on Shrinkage and also advised that they would be happy to attend an INA meeting if allowed to provide information. The Chair confirmed that this can be noted in communications to the INA.

The Chair asked if any members of the Workgroup had any further questions. None were raised.

Action 23/03 - 02: Code Administrator to communicate questions to the INA regarding shrinkage.

Action 23/03 - 03: David Morley to provide an update on outcome of Ofgem meeting to Workgroup regarding the role of Independent Shrinkage expert.

AOB

8. IGT UNC & UNC Cross Code working

Opening - CDSP Process

The Chair informed Workgroup that this item came from a discussion at the March 2023 Workgroup meeting, regarding recent UNC Modifications, where Xoserve has been delivering system changes. In certain cases, the governance supporting those system changes was not in place in the IGT UNC.

ER asked if this was regarding any specific Modifications that have been implemented. ER said that if this was the case there may be a breach, where there is an impact on IGT sites without the governance arrangements being in place. The Chair informed ER of one example which they suggested be discussed offline. RH provided information on how UNC documentation from the Joint Office covers IGT impacts.

From an IGTs perspective

JR provided a summary of the issue to the Workgroup. They noted that it has been a struggle for IGTs to have successful cross-code working between the IGT UNC and the UNC. Before Project Nexus, there was no shared Central Data Services Provider (CDSP). Since the introduction of the CDSP, changes raised under the UNC have been difficult for IGTs to understand and determine what the change is trying to do, and how a mirror Modification will work within the IGT UNC.

It was noted that attendance at IGT Forums has gone down, and Shipper parties are not always relaying information and therefore existing processes are not working as they should. When assumptions are made about a Modification and how it applies to IGT sites, it has led to governance issues. It was also noted that whilst GDNs and IGTs share the CDSP and they are separate customers, and therefore when they receive a system change request, the CDSP should not automatically assume that the change will apply to IGT sites as well as GDN sites.

JR advised that the past Xoserve have billed for a change for IGT sites and charges cannot necessarily be separated out easily, which may not be the right approach. They added that the CDSP should consider IGT impacts separately and in the same way as GDN impacts. For example, when a change goes to the Change Forum, a question should be asked regarding the change and whether it is just for GDN sites, or if it should include IGT sites as well. This would prompt the right conversations and ensure the best governance is in place. JR noted that in the past UNC Modification would be considered under the UNC but not fully under the IGT UNC. JR asked if other members agreed with their views, to which some members agreed.

ER thanked JR for the feedback and information and added that since Nexus, the CDSP has had a single service provision. There are examples where changes are raised by Shippers, and Xoserve do enquire of the Shipper if a change should impact IGT sites as well. A member noted that the answer and the resulting changes depends on the Shipper's response, and it should depend on the IGTs response. ER advised that discussions on impacted parties should primarily happen in the Code Modification process rather than the DSC Change process and that Modifications should be discussed with Workgroups that include IGTs.

From a Shipper's perspective

JR thanked ER and noted that in a situation where the Shipper instigates the change, the mechanism needs to ensure that all impacted stakeholders agree on the intention of a Modification. They gave an example of a change that was detrimental to Shippers noting that IGTs were happy to pay for that change but as an impacted stakeholder the Shipper should have been consulted. ER responded that discussions with impacted parties were based on what was needed for a change and that the UNC Workgroup look at the Modification and determine the impacts and then the CDSP have relevant discussions with said impacted parties.

RH noted that the first page of a Modification document has a section for impacted parties and Codes. JR suggested that there have been times in the past where this part of Modification documents has not always been completed correctly. RH said that the Joint Office would not necessarily have the level in insight and information to determine themselves if there is an IGT impact. A reference was made to UNC0734S – Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers, and it was noted that in the document it states that the Modification should apply to IGT supply points. JR responded that it in the past it has been difficult to get full clarification on a Modification in an effort to identify whether an IGT UNC Modification is definitely wanted and/or required.

Issues with CDSP Governance

JR advised the Workgroup that additional governance needs to be put in place to ensure better cross-code working. RH advised that UNC Meetings do include IGT members, and that relevant Modification documentation is presented at these UNC meetings with the IGTs present. They added that there are quite a few contact points between UNC and IGT UNC during the lifecycle of a Modification.

A member advised that when a UNC Modification is raised, the Proposer needs to make sure that IGTs can determine the extent of impact. They suggested that when a UNC Mod is raised, the Proposer should be invited to attend a IGT UNC Workgroup. The IGT should then be involved in any further conversations to determine the impact of any required system changes with the CDSP.

ER said that the CDSP is happy to help where it can, but they would need to understand exactly where impacts may be as it is not usually the CDSPs place to ask questions regarding governance. They added that they do not believe the CDSP should be asking governance questions of IGTs and

asked whether or not a group of Parties agree with a Modification. That would introduce dual governance arrangements that may prevent a Modification from moving forward.

JR responded that IGTs were not given the choice in procuring Xoserve as the CDSP and that where a change is raised under the UNC there needs to be a process in place that ensure that there is an assumption that said change applies IGTs after reaching the CDSP that discussions between the CDSP and IGTs take place. JR emphasised that GDN and IGT sites are very different, requiring different types of governance and so each party type needs to be consulted properly and costs attributed appropriately to impacted parties.

Solving inefficiencies

ER said that separating out the process of Rough Orders of Magnitude (ROM) for IGTs may not be easy and it would result in more than one ROM. For example, if a Modification was intended to required changes for both GDN and IGT sites, and relied on IGT governance being put in place, they may have to provide a ROM for both GDN and IGT changes and one with GDN changes being made first and IGT changes being made later. Which may result in increased costs. JR advised that the ROM should be provided when the full impacts are known and discussion has taken place with IGTs to determine IGT and Code impacts. They noted that it would be more efficient to determine the impact and desire for IGT change earlier in the process so that the ROM can be provided appropriately. JR reiterated that the CDSP should not assume that the change automatically applies to IGT sites.

OC asked whether there have been any impacts so far on costs, for example where they should not have been applied. JR advised that there have been instances where the IGTs are playing catchup, and they have been left out of the conversation. A service provider should not be making changes for a customer without informing/involving the customer impacted by the change. OC responded that that completely separating the processes for ROMs would be very complex for the CDSP. JR agreed and noted that ROM process as it is goes back to the introduction of Project Nexus, where processes and rules were adopted for all under a single service.

A member noted that while it may not be efficient for Xoserve to provide ROMs for all Modifications could provide an incentive. The Chair said that approaching ROMs in this way and ensuring parties are aware of potential increased cost, should IGT changes not be adopted at the same time as GDN changes, may incentivise parties to raise required IGT Modifications, because the process is streamlined with the UNC Modification progression. There is an efficiency gain, which impacts a relevant objective that can be attributed when considering an IGT UNC Modification. The Chair used Modification UNC0734 – Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers as an example. They knew that an IGT Modification was needed, but the UNC Modification Proposer was not willing to spend the time drawing up the required IGT UNC Modification themselves. They claimed to have an “aspiration” for the UNC solution to work smoothly across both Codes and across all sites. From their perspective, there was no incentive to draft the IGT UNC Modification. In the end in the Proposer’s objectives were met without raising the required

Modification as the system changes are being progressed by the CDSP and will apply to all sites regardless of governance not being in the IGT UNC.

RH highlighted a discussion at the DSC Change Management meeting, where this issue was discussed, making reference to the High-Level Solution Impact Summary documents. The document could have more explicit in the identification of IGT impacts. The Chair thanked RH and advised that it would be useful for the document to be clearer regarding IGT site impacts. ER said that they can look into IGT impacts on Theft but that the changes were already quite late in the DSC change process. They reiterated the need for the right conversations at Workgroup stage and that questions should be asked and an IGT UNC level as well.

RH clarified that IGT UNC code impacts were not within the remit of the Joint Office. TL added that all the IGT UNC Code Administrator can do is to talk to IGT UNC parties and highlight UNC Modifications that may need an equivalent IGT UNC changes raised but they are still reliant on parties to raise one. TL mentioned the Code Administration Code of Practice (CACOP) and Cross-code Steering Group (CCSG). CCSG is under the REC, where the most they can do is establish a lead Code and joint Workgroups so that parties could then work together. However, they would still be reliant on a party raising a Modification before proceeding.

ER said that the incentive is an efficiency of the process but that cost matters as well. It is a question of where the impact happens to IGTs sites. JR referenced UNC0816S – Update to the AQ Correction Processes, noting that there is a potential for it to affect IGT billing. This could lead to IGTs being unable to recover their costs. ER said that in these situations the CDSP would be moving away from a single service provision, where Shippers would have different processes from IGTs and they would look to have the right conversations with each party.

A reference was made to UNC0816 and potential impacts as a result of that Modification. The Chair advised that they were not sure if the legal drafting had been properly reviewed by the IGT UNC Workgroup. TL advised the Modification has been on the cross-code tracker for a long time, but it has not had specific IGT Workgroup discussion. TL said that the Code Administrator did review the legal drafting to identify if there is an impact on the IGTs but a new version had been put out. They noted that they can review this and determine any obvious Code impacts. RH asked where the cross-code tracker is published. TL confirmed that it is published in two places on the IGT website. They added that the spreadsheets are done at a high level, to highlight the tracked Modifications.

The Chair asked if there were any conclusions from the discussion on cross-code working. They mentioned the HLSIS form shared by RH as a opportunity to highlight when an issue occurs.

JR asked ER if after today's discussion the CDSP will look to split the DN and IGT sites. ER responded that when the change proposal is raised, it goes outside of ER's remit and into the Change Process. If the CDSP received a change proposal, they would make the assumption that it impacts IGTs. If there was an inaccurate perception of the impact on IGTs, there would need to be a conversation. ER said that they were having more proactive conversations with change managers

before UNC meetings. For example, the 0778R – Gas Vacant Sites Process Review proposal is for DN and IGT sites. A conversation with IGTs would ask how to include them or whether or not they should be included. JR agreed with this approach fully. There will be a specific engagement with IGTs. If the change proposal states that IGT sites should not be included, the situation is solved.

The Chair asked if the Workgroup had any further comments. No comments were raised.

9. Maternity Leave

MB informed Workgroup that they are going on maternity leave for a year, and will not be present at the August and September meetings. The Chair thanked MB for the information and the Workgroup congratulated them.

10. IGT Mirror Modification for Theft

CG provided an update regarding the UNC Theft Modification UNC0734S – Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers and the required IGT UNC Modification. They advised that in preparation for raising the IGT UNC modification they noticed that there was text in the IGT UNC Code relating to Theft that is not pointing to the correct section of the UNC. They suggest adding a correction into code as part of their Theft Modification and asked for input on this approach. The Chair thanked CG and added that there is very little Theft governance in the IGT UNC. JR referenced Park K, section 45.1 as the area where the incorrect references is noting that it refers to the UNC transition document, which is inaccurate as the relevant text is in TPD Section V clause 14.

TL said that as the Code Administrator they see no problem with including this in the Theft Modification as long as the Proposal Form clearly states what this housekeeping change is. The Chair asked if JR wanted the Code Administrator to write the legal drafting. JR said that they would suggest drafting and ask the CA to check it.

The Chair asked if there were any other items for AOB. None were raised.

The next Workgroup meeting is scheduled for Thursday 11th May 2023.

Annex 1 – Actions Table

Reference	Action	Owner	Status
23/03 - 01	All Workgroup members to review RG005 Review Group Report prior to the April Workgroup meeting.	Code Administrator	Closed
23/04 – 01	CA to invite the Proposer of UNC0842 to the Workgroup meeting on 11 th May 2023.	Code Administrator	Open
23/04 – 02	CA to communicate questions to the INA regarding shrinkage.	Code Administrator	Open
23/04 – 03	DM to provide an update on outcome of Ofgem meeting to Workgroup regarding the role of Independent Shrinkage expert.	David Morley	Open

DRAFT