

**IGT UNC 23-08 Modification Workstream Meeting**

**Draft Minutes**

**Thursday, 10<sup>th</sup> August 2023 via Teleconference**

<b>Attendee</b>	<b>Initial</b>	<b>Organisation</b>	<b>Notes</b>
Anne Jackson	AJ	Gemserv	Chair
Andrew Eisenberg	AE	E.ON	
Charlotte Gilbert	CG	BUUK	
Cher Harris	CH	Indigo	
Claire Louise Roberts	CR	Scottish Power	
David Addison	DA	Xoserve	
Ellie Rogers	ER	Xoserve	
Helen Bevan	HB	Gemserv	
Jenny Rawlinson	JR	BUUK	
Nick King	NK	Barrow Shipping	
Stuart Monk	SM	MUA	
Tracey Saunders	TS	Northern Gas	
Isaac Moore	IM	Gemserv	Secretariat

**1. Welcome and Apologies for Absence**

The Chair welcomed attendees to the meeting and accepted apologies from David Morley.

**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, which there were none.

**3. Approval of the Previous Minutes 22-08**

IM informed the Workgroup that no comments were received for the draft 23-07 Modification Workstream meeting minutes prior to the meeting. CG asked to confirm a statement made by David Morley, regarding the funding arrangements for [UNC0843 – Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert](#) and [IGT165 – Independent Shrinkage Expert and Independent Shrinkage Charge](#). The Chair noted this and accepted that the Code Administrator would review the recording of the 23-07 Workstream meeting. The minutes were carried over for approval to the September 2023 Workstream meeting.

**4. Outstanding Actions**

The Chair informed the Workgroup that there were two outstanding actions as follows:

- **23/07 – 01: David Morley to provide an illustration of the shrinkage allocation calculation process for UNC0843, in support of the IGT165 Workgroup discussion at the next Modification Workstream meeting.** This action was carried over to the September 2023 Workstream meeting as the lead was absent from the meeting.
- **23/07 – 02: Ellie Rogers to provide any relevant information with respect to the procurement process for the Independent Shrinkage Expert to the next Modification Workstream meeting, where that information may support the development of IGT165.** ER informed the Workgroup that in terms of Procurement, the CDSP will not issue anything to the industry until UNC0843 is approved. They noted that the proposed ISE and ISC have no precedent in other structures such as the AUGE. SM agreed that it would be useful to have sight of the Procurement. The Chair added that as this will be an Authority Decision Modification, the Authority will want to see insights of the costs for this Modification. ER agreed that currently the Authority would not have the oversight of the costs of the Independent Shrinkage Expert and Independent Shrinkage Charge. The Chair added that the only way to mitigate the risk was if the benefit is seen as large enough to outweigh the costs. Action closed.

### **Code Matters arising**

#### **5. [UNC0853 – CDSP Permissions to facilitate implementation of UNC0701](#)**

The Chair invited TS, as the proposer of the Modification, to the meeting. TS gave an overview of UNC0853. [UNC0701 – Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs](#) was raised in August 2019 and approved in May 2021. They noted that there is not a IGT UNC version of UNC0701. Therefore, there would need to be an IGT UNC Modification to cover the changes from UNC0701 and UNC0853. This Modification helps to increase the visibility of NExAs. CH noted that the IGTs do not have great visibility over UNC NExAs. TS clarified the definition of a NExA to the Workgroup, adding that the NExA table puts in a set of rules over the maximum capacity.

The Chair asked why the DN sites on a CSEP do not have a similar disconnection arrangement as IGTs. TS said that the DN site could not be disconnected without cancelling all sites linked to the CSEP. In the UNC, the NExA must be put in place before the flow of gas can begin.

TS then introduced the concept of ratcheting to the Workgroup. In these situations, a customer is charged a financial penalty when gas consumption passes a cap.

TS specified that in UNC0853 a site exceeding its capacity of gas gives the CDSP permission to reduce the booking of gas on that sight if the Shipper has not done so themselves. This could include single MPRNs on a CSEP if the booking is greater than the NExA. An IGT Modification could be required to introduce the cap to IGTs.

JR asked TS if the IGTs will be responsible for ensuring that MPRNs do not rise above the pre-determined NExA levels. TS said that this will be the responsibility of Shippers. They added that the CDSP has been in contact with Shippers to ensure compliance on their sites. If sites have bookings

above NExA levels, Shippers will be in breach of the Code once UNC0701 is implemented. JR then asked if IGTs could request an increase in capacity. ER said that if the request is above the agreed NExA value, the request is denied. However, ER said that if the levels are increasing within the range, the CDSP will refer the site request to the Shippernet network. JR asked to confirm that parties cannot go above the values. TS confirmed that this is a hard line.

CH asked how an IGT can know that a NExA on the IGT network has been breached. TS said that the transporter will have a signed document that allows transparency between transporters and sites through the Gas Enquiry Service (GES). CH asked if the IGT would be involved once a Shipper is notified of the breach. ER said this was not a line of communication that involved the Shipper. TS asked ER if the CDSP could open a channel to allow the IGT to be included. ER said that they could look into this. CH agreed that having this communication would reinforce the customer agreement with the IGT.

SM asked TS if the calculation for the cap was done entirely on analysis of the network. TS said that this was done with a formula to incorporate many factors, and not a specific usage level. SM confirmed that it is based on specific factors that affect levels at any specific time.

JR asked if this could apply to daily metered sights. TS said that these would be daily metered sights.

The Chair asked TS if the ratchets are applied to single MPRN CSEPs. TS said that the ratchets apply to CSEPs rather than sites. JR said that IGTs do not have a concept of ratchets on IGT sites. The Chair said that the relationship with the DN would be in the UNC. The Chair said that under these new Modifications the CSEP will be contacted. The IGT UNC text should allow the CSEP to contact the Shipper, who can rectify the situation.

The Chair said that there might need to be clarification on who the CDSP interfaces with, and the Shipper obligation would require an entry in the IGT UNC.

JR presented the NExA are a tripartite agreement. TS said that this wasn't entirely the case.

TS clarified that NExA are not in the IGTAD but rather in the UNC. The UNC states certain aspects of them, but the rest is operational. A CSEP NExA can cover multiple MPRNs.

SM said that this should be a wider discussion for the IGTs. The end user needs to inform their Shipper. TS said that a NExA on an IGT should be between the IGT and the site.

TS said that they were willing to work with the IGTs to develop the concepts around the NExA.

DA said that the period is quite tight with restricting the NExA. The Chair confirmed that UK Link is able to support seasonal loads on IGTs, but the Code does not support this. CH added that NExAs are not visible to IGTs.

TS said that in the CSEP overview, the DN has a valve to control the flow of gas.

CH asked what specific data is monitored to understand a breach in the site. ER said that there is a NExA SOQ and SHQ for each site. If the request is above the NExA, the CDSP identifies the site to be in breach. DA explained this further. CH noted that IGTs do not have visibility on this.

TS informed the Workgroup that they would like to see a final Authority decision on 4<sup>th</sup> November 2023 and that UNC0853 would be on the agenda for the August UNC Panel meeting. They added that the intention was to send UNC0853 to consultation to enable an implementation on 4<sup>th</sup> November as well.

The Chair informed the Workgroup that the IGT UNC will require two Modifications to allow IGTs to join the NExA programme. The Chair said that following this discussion they believe that the IGT UNC Modifications will require Authority decision. SM said it was important that IGTs be informed if they are affected by UNC0701. DA said that as the Modification development was completed for UNC0701, parties believed that there would not be an effect on IGTs.

SM volunteered to sponsor the IGT UNC Modification.

**Action: 23/08 – 01: Code Administrator to examine the IGT UNC to understand if the NExA concept is already included in the Code.**

**Action: 23/08 – 02: SM to discuss the timetables for raising and developing an IGT UNC Modification(s) with the Code Administrator.**

## **MODIFICATIONS**

### **6. IGT165 – Independent Shrinkage Expert and Independent Shrinkage Charge**

The Chair informed the Workgroup that as the Proposer of IGT165 was absent, this item would be carried over to the September 2023 IGT UNC Workstream meeting.

### **7. Cross Code Modification Implications Tracker**

### **UNC0855 – Settlement Adjustments for Supply Meter Points impacted by the Central Switching P1 Incident**

DA presented slides and gave an overview of the background for UNC0855. This began with a summary of [UNC0836 – Resolution of Missing Messages following Central Switching Service implementation and integration with REC Change R0067](#).

The purpose of these Modifications was to reinforce the communications between the CDSP, the DCC, and the REC. This was to avoid the possibility of discrepancies between Switching and messages being issued. The recent CSS Switching incident had done important damage to the Settlement period. DA informed the Workgroup that they believed that the two UNC Modifications would require two IGT UNC Modifications.

DA added that there are no IGT sites subject to the rules of UNC0836.

The Chair asked ER if any IGT sites were involved in the derogation for UNCC. ER would verify with this with DA.

The Chair confirmed that the issue is completely random for which sites are included the incidents. SM asked if there were any answers as to how this has happened. ER said that they would speak with DA. The Chair gave some additional context on the nature of the incident. As the DCC continues to investigate the incidents, parties were hoping to receive more information.

CH asked how exposed IGTs were to incorrect invoicing in these cases. JR said that they believed that the IGT UNC Code contained text to protect against this happening.

The Chair confirmed that UNC0836 is not a retrospective adjustment. ER added that UNC0836 would clearly designate the party at fault in the case of a failed message. CH said that this could be a serious concern, where the dates of the billing can change at random for IGTs in the future between Shippers and Transporters. The Chair confirmed with ER that billing would have a period of 28 days to be corrected.

The Chair said that the implications of the two UNC modifications will need to be fully understood by the IGT UNC parties. They added that the legal drafting for UNC0836 would require small changes to the IGT UNC. They mentioned specifically the inclusion of 5.18 in Section M.

The Chair informed the Workgroup that while IGT sites had been quite fortunate in avoiding major issues thus far, this could not be guaranteed in the future. They emphasised the need for an IGT Modification to be raised and considered in a short timeline.

JR asked if only one Modification was raised to mirror UNC0855, would the functionally apply to UNC0836 as well for the IGT UNC? ER said that the two Modifications had been consciously raised as separate Modifications.

JR said that they were worried by the retrospective invoicing and their reliance on the CDSP.

JR asked ER if the volume of adjustment could be adjusted, through notification of change. ER said that they could not provide an answer at the time. The Chair said that the CDSP is aware of the MPRNs and that they could find the correct IGTs. ER said that this was dependent on the materiality test of UNC0855 and whether parties chose to opt out.

#### [UNC0842 – Gas Entry onto the Total system via an Independent Gas Transporter](#)

The Chair invited NK to present on the need for an IGT Modification to marry with UNC0842. NK presented their slides, which illustrated the changes in UNC0842 and the role of the IGT site.

NK believed that the IGT UNC Modification Proposal would be similar to UNC0842, after a conversation with lawyers. The diagram presentation is part of the Gas Act Section 5. NK confirmed with the Chair that the IGT UNC Modification would “marry” rather than “mirror” with UNC0842. NK added that they were looking to raise this Modification on behalf of SGN.

NK gave a comprehensive presentation of the role of IGTs in allowing gas to be sent back through the network to the DN level, and the business rules that allow this to happen.

NK asked about IGT to IGT interactions in the IGT UNC. The Chair said that they were not aware of these transactions in any code. JR asked if these interactions were contained within the IGTAD. NK Specified that this concept was the “nested CSEP”. The Chair said that they were not aware of the location of the “nested CSEP” in the IGT UNC.

They informed the Workgroup that the primary new term added to the Code would be “IGT LDZ SEP”.

NK added that there were several tasks that needed to be done to draft the new legal text for the IGT UNC Modification.

The Chair invited questions from the Workgroup. SM asked to confirm with NK that the purpose of the UNC Modification is to take gas back up through the system from the IGT level to the DN level. They asked how this would work at the Gemini level. NK responded that specifically in the context of the anaerobic digestion plant, the level of gas is very small. SM said that quality of gas is always guaranteed downstream, but there is no other mechanism to ensure that the quality of gas remains when it travels back through the network. NK said that the DN will do what is necessary to ensure that the quality remains. SM clarified with ER that the responsibility will be on the IGTs.

JR asked to ensure that the changes to the IGT UNC do not have an impact on any existing processes and means in the Code. NK agreed with this.

NK informed the Workgroup that the timing of the IGT UNC Modification would depend on the progression of UNC0842.

JR asked NK if the UNC0808 Reverse Compression Modification will also appear in the IGT UNC. NK said that UNC0808 is currently out for consultation, and the legal team had not notified NK of the need for an IGT UNC Modification. JR said that it would be useful to understand the rationale from the lawyers regarding their decision on UNC0808.

The Chair thanked NK for their presentation.

### [Cross-code tracker](#)

The Code Administrator informed the Workgroup of the new Modification from the UNC and the standard updates to the Cross-Code Tracker

### [IGT UNC Impact Assessment](#)

#### [UNC0852 - Shipper notification in relation to option exercise for Customer Demand Side Response:](#)

CG informed the Workgroup that the legal text added by the Proposer would be encompassed in the IGT UNC by the legal text in IGT167.

[UNC0842 - Gas Entry onto the Total system via an Independent Gas Transporter:](#) The Workgroup now understood that an IGT UNC Modification is required for this UNC Modification.



[UNC0825 - Removal of remaining Retrospective Asset, Address and Supply Point \(RAASP\) elements of the Retrospective Adjustment Arrangements put in place under Modification 0434](#): ER informed the Workgroup that the report for UNC0825 states that there is no need for an IGT UNC Modification as there was never an IGT UNC Modification for the retrospective Modification. They added that this Modification would be presented at the August UNC Panel before a consultation. The Chair thanked ER and informed the Workgroup that the Tracker would be updated to incorporate the feedback on the need for an IGT UNC Modification.

#### Watchlist

CG proposed that UNC0836 be added to the Tracker.

[UNC0848S - Alignment of Entry and Exit Capacity Constraint Management Provisions](#): The Code Administrator informed the Workgroup that there is not believed to be any impact on the IGT UNC.

[UNC0844](#) and [UNC0845](#): CG informed the Workgroup that both of these Modifications were accepted by Ofgem.

[UNC0841 - Introduction of cost efficiency and transparency requirements for the CDSP Budget, and revisions to DSC change processes](#): ER said that it had been mentioned whether or not IGTs were impacted. CG updated that the Modification had a one-month extension added to it. The Chair asked ER if the Modification was expected to progress quickly. ER said that this depended on the CDSP receiving some clarification on certain points within the Modification. JR asked to ensure that it was recorded that some intent was removed from this Modification in order to accelerate its development. Therefore, it was likely that a new Modification would be raised to cover the governance aspects which were removed from UNC0841.

[UNC0831A - Allocation of LDZ UIG to Shippers \(Class 3 and 4\) Based on a Straight Throughput Method](#): ER said that the Workgroup report states that there is no impact to IGTs or on the IGT UNC. The Legal Drafting is contained in Section E of the UNC. The Chair said that if the Modification requires recording at a site level, there would need to be changes to the IGT UNC.

[UNC0819 - Establishing/Amending a Gas Vacant Site Process](#): The Code Administrator said that a Proposer had come forward for the IGT UNC Modification.

[UNC0816S - Update to AQ Correction Processes](#): This Modification was approved and is awaiting implementation. The Chair said that they would review the legal text to determine the need for an IGT Modification due to changes in the legal text.

[UNC0813 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers](#): ER informed the Workgroup that this Modification was rejected by the Authority. They added that the Proposer was putting forward another Modification at a later date.

[UNC0811S - Shipper Agreed Read \(SAR\) exceptions process](#): The Code Administrator informed the Workgroup that the IGT UNC Code already points to the new Legal drafting.

**Action: 23/08 – 03:** IGTs to consider the implications of the retrospective invoicing of UNC0836 and UNC0855, and who will sponsor an IGT UNC Modification.

**Action: 23/08 – 04:** NK to consult with the lawyers on the need for a IGT UNC Modification to incorporate Reverse Compression (UNC0808).

**8. [IGT UNC Known Issues Register](#)**

HB informed the Workgroup that a small update had been made to the Register to record the issue of Panel Shipper Representation.

**AOB**

**9. ESP License Consolidation**

The Chair informed the Workgroup that ESP plan to consolidate their licenses into one license.

**10. Panel Shipper Representation**

The Chair informed the Workgroup that as the only remaining Shipper was leaving the Panel, there could be a serious issue with Shippers' voices being heard. JR highlighted that while this was not an ideal situation, having no Shippers would not affect the functions of the Panel in decision making on Modifications.

**The next Workgroup meeting is scheduled for Thursday 14<sup>th</sup> September 2023**



**Annex 1 – Actions Table**

Reference	Action	Owner	Status
23-07 / 01	23/07 – 01: David Morley to provide an illustration of the shrinkage allocation calculation process for UNC0843, in support of the IGT165 Workgroup discussion at the next Modification Workstream meeting.	David Morley	Carried Forward to September 2023
23/07 – 02	23/07 – 02: <i>Ellie Rogers to provide any relevant information with respect to the procurement process for the Independent Shrinkage Expert to the next Modification Workstream meeting, where that information may support the development of IGT165.</i>	<i>Elie Rogers</i>	<i>Closed</i>
23/08 – 01	Code Administrator to examine the IGT UNC to understand the way in which the concept of NExA is included in the Code.	Code Administrator	Open
23/08 – 02	Stuart Monk to discuss the timetables for raising and developing an IGT UNC Modification for UNC0853 with the Code Administrator.	Stuart Monk	Open
23/08 – 03	IGTs to consider the implications of the retrospective invoicing and to find sponsor for Modification for UNC0836 and UNC0855.	Transporters	Open
23/08 – 04	Nick King to consult with the legal team on the need for a IGT UNC Modification to incorporate UNC 0808 - Reverse Compression.	Nick King	Open