

IGT UNC 23-12 Modification Workstream Meeting

Draft Minutes

Thursday, 7th December 2023 via Teleconference

Attendee	Initial	Organisation	Notes
Anne Jackson	AJ	Gemserv	Chair
Charlotte Gilbert	CG	BUUK	
David Morley	DM	OVO	Proposer for IGT165
Ellie Rogers	ER	CDSP	Present for item 6
Gareth Powell	GP	E.ON Next	Present from items 1 to 5
Graeme Hunter	GH	Barrow Shipping	
Helen Bevan	HB	Gemserv	Code Administrator
Jenny Rawlinson	JR	BUUK	Present for items 1 to 7 and 10, 11, 12, 13, 14
Kathryn Adeseye	KA	CDSP	
Kirsty Dudley	KD	E.ON Next	Proposer for Item 5
Nick King	NK	Barrow Shipping	Proposer for IGT172
Oorlagh Chapman	OC	Centrica	Present for items 1 to 5 and 10, 11, 12, 13, 14, 15
Isaac Moore	IM	Gemserv	Secretariat

1. Welcome and Apologies for Absence

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

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. OC added items 10 and 15. The Chair added items 11, 12, 13, and 14.

3. Approval of the Previous Minutes 23-11

IM informed the Workgroup that comments were received for the draft 23-11 Modification Workstream meeting minutes prior to the meeting from NK. These included more background to understand Modification IGT172 - Optional Service for physical gas entry into an IGT Pipeline and into the UNC Total System marrying to UNC Mod 0842. The Workgroup had no comments to add to the minutes at the meeting and they were approved as a true and accurate record of the meeting.

4. Outstanding Actions

The Chair informed the Workgroup that there was one outstanding action as follows:

- **23-11 /01 – Nick King to amend the IGT172 Modification Proposal and draft the legal text in preparation for the December 2023 IGT UNC Workstream:** NK agreed to present the revised Modification as item 7. Action closed.

MODIFICATIONS

5. Pre-Modification discussion: Gateway delivery for RPC data

KD informed the Workgroup of the background to RPC backing data and the inefficiencies of the system. They mentioned that different IGTs secured their data differently. Earlier in the year they approached IGTs about this Modification and agreed to focus on Relative Price Control (RPC) backing data. This Modification excludes any changes to invoice issuing.

KD explained that the Proposal was bringing in a central delivery mechanism via the IX as a simple alternative to email. JR mentioned that their IGT shares invoices via secure mechanism currently. It was asked if, as the IX is part of Xoserve, this would incur additional costs. It was also asked if the CDSP would get access to the new data. KD explained that the current capability would be utilized with a new RPC file type and there would be no access to the content in the files.

KA mentioned that within the UKLink manual there are different communication types mentioned. They added that the IX functions as a post box. KD mentioned that once this Modification was at the Panel stage, they would sponsor the associated XRN in parallel.

JR asked about assurance of timing. They noted that they would like to see an assurance that late data does not impact any invoice payments. KD explained that they had included a contingency where the system can default back to the portal and away from the IX. JR noted that they would prefer to see this in the written Code. KD agreed that the IGT invoices functioned as “pay first, dispute later”, and that a failure to receive backing data does not constitute grounds for refusing to pay. KD reiterated that the scope of the Modification would only affect the backing data. They added that their IT department had recommended this solution.

KD added that the portal and email will still be in place for invoicing and metering.

CG asked if there would be any issues in using the IX for different nodes and having a different node for each short code. KD referred back to the comments from KA regarding creations of new file types. KD added that this would be contained within the XRN.

JR asked if KA could confirm there would be no additional costs to having additional nodes. KA agreed to report back on additional costs to the Workgroup.

The Chair asked KD if they would make any amendments to the Modification once it is fully drafted. KD expected this to remain essentially the same as the pre-Modification discussion. KD mentioned that they anticipated that the Draft Modification Proposal would be sent to the Code Administrator in time for the December 2023 IGT UNC Panel.

23-12/ 01: KA to report back on costs associated with additional nodes and file types as part of the RPC backing data Modification discussion.

6. IGT165 – Independent Shrinkage Expert and Independent Shrinkage Charge

The Chair informed the Workgroup that the [UNC0843 – Establishing the Independent Shrinkage Charge and Independent Shrinkage Expert](#) equivalent Modification had been amended.

DM informed the Panel that the key change was the role of the “Independent Shrinkage Provider”. They added that this would be a Shipper purchasing Shrinkage gas on behalf of a Gas DNO. DM mentioned that a DNO or an IGT could fill this role as well. DM recommended that the Shrinkage Provider discussion should occur under the UNC.

JR asked DM if they could envisage multiple Shrinkage Providers. DM confirmed that there could be multiple Providers, but there would only be one Independent Shrinkage Expert (ISE). DM reiterated that in a Provider use case, an IGT would be recommended to use a Shipper as their Shrinkage Provider.

ER presented the [Rough Order of Magnitude \(ROM\)](#) for UNC0843 and IGT165. ER added that this was only the second ROM request performed by the CDSP specifically for an IGT UNC Modification.

DM asked if costs were provided for the procurement of the Allocation of Unidentified Gas Expert (AUGE). ER responded that costs for procurements have not been provided in the most recent ROMs, including Modification [0710 – CDSP Provision of Class 1 read service](#). They added that the CDSP could only know the costs once the procurement stage has started, which would only occur after an approval of the Modification.

CG asked ER if the ISE procurement would go to a committee to establish the nominations and costs associated. ER responded that in past instances, a stakeholder evaluation panel was created to facilitate the procurement process. ER added that UNC0843 was drafted to follow this path, where the panel members would have a view of the initial procurement while the wider industry would not.

JR asked at what point the IGTs would get an understanding for the costs associated with the ISE. ER responded that the CDSP would not begin the procurement process until the Modification has been approved.

JR queried if there could be cost saving from removing the AUGE role. DM responded that the AUGE would remain in all instances. JR additionally queried about the possibility of ISE procurement at the consultation stage. ER responded that under these circumstances the approach would be to wait for a final decision on the Modification before beginning a procurement process. ER added that they could not currently provide a view on procurement costs and the Modification contained detail on the funding of the new role which would be split between DNs and IGTs.

The Chair asked ER if Gemini would distinguish between existing Shrinkage and the new Shrinkage. ER responded that DNs would still provide Shrinkage values and the new Independent Shrinkage Charge (ISC) figure would be added on top of the existing bills.

The Chair asked about the relation between the previous year's Shrinkage. ER mentioned that it will be forward looking, and that a reconciliation adjustment process would look back on the figures.

ER presented the ROM [associated slides](#).

The Chair queried about a situation where the ISC is negative. ER responded that in this case the DNs would still need to purchase the basic Shrinkage (not the ISC). DM added that traditional Shrinkage could be amended with the new ISE information.

CG queried about a case of two IGTs within an LDZ, where the figures might not equal the actual distribution of Shrinkage. DM responded that the split would be calculated exactly for each IGT, and no assumptions would be made. JR added that in order for the calculation to be accurate, the ISC would need to be calculated at the granular level. JR asked DM if it was not their understanding that the ISC would have to distinguish Shrinkage between multiple IGTs on a single LDZ. DM responded that this would be the purpose of the ISC. ER added that the methodology was at the discretion of the service provider, and that it was difficult to foresee how the calculation arrangements would be carried out. JR mentioned that there seemed to be a risk where the ISC would not distinguish amounts on a single LDZ. DM added that this was the same risk within the AUGE.

DM queried if the ISE would need a role code to send an ORD file on the IX? This type of communication via IX would be necessary when establishing the ISC. DM asked about using a short code within the ORD. ER responded that the file naming would need to be confirmed. ER mentioned the RTB (Request to Bill) manual process of separate invoices via UKLink.

JR queried about the role of the Authority within the ISC. DM clarified that the Authority would make a decision on the current Shrinkage figures at the beginning of April every year. ER added that under UNC0843, the Authority would approve those values in addition to Shrinkage.

JR queried DM if the balance of Shrinkage was set out within the Modification to show the savings involved in this process. DM explained that within the UNC0843 Proposal there was detail re the balance. They noted that about £800,000 was being paid by Shippers every year.

The Chair queried about the governance of the ROM and the costs that would be incurred by IGTs, from the point of view of the Code. ER responded that this was a combined ROM for the UNC and IGT UNC. ER added that the DSC would allow costs to be recovered, and that this would not pass through the UNC and IGT UNC for costs. DM added that the costs that the IGTs bear would be within UNC0843, not IGT165.

OC added that it would be useful to have the same communication going to both groups.

ER noted that 1st April 2024 would be chosen as the possible start date. JR asked about the timeline, to which ER had referred and that the lead time would need to be given before the activities are set.

The Chair asked if the ISE could require data which is not currently collected. DM mentioned that this would be resolved in the procurement process. ER added that the CDSP would be reliant on the procurement panel. The Chair asked how frequent the procurement would be. ER responded that this would be factored into the ISE team structure, and that they could not give a view at the moment.

DM invited Panel members to join the UNC Panel meeting on 14th December 2023 to hear the debate.

The Chair asked about the legal drafting for IGT165. DM responded that the UNC drafting had been requested by SGN, but it had not yet been provided.

7. IGT172 – Optional Service for physical gas entry into an IGT Pipeline and into the UNC Total System marrying to UNC mod 0842

The Proposer outlined the changes that had been made to IGT172 since the 23-11 IGT UNC Workstream meeting.

Title and Purpose

NK thanked the team for their participation and advice on developing this Modification. NK explained that there was a change of focus from replication to clarity and simplicity. This included the new Title "Provision for gas entry".

JR queried NK if there would need to be added context in the title to specify that this gas entry was specifically for IGTs, and the current title could be seen as open. CG agreed with this, that a reference to link this Modification to UNC0842 would be useful. The Proposer indicated that they planned to make amendments to the title of the Modification to clarify this.

Governance

The Chair informed the Workgroup that UNC0842 (the UNC modification that marries to IGT172) would be discussed at the UNC Panel in December 2023, and it was likely that the Modification would be sent out for a consultation.

GH provided background on the Anaerobic Digestion (AD) plants and the potential for IGT connections. They added that food waste collections schemes from the Department for the Environment, Food, and Rural Affairs (DEFRA) would be used as fuel for Anaerobic Digestion to create Biomethane. GH added that there could not be a guarantee that connection points from the AD plants would be located on GDN networks, which reinforced the need for connections to the IGT network. They added under an International Energy Agency forecast, the growth of biomethane would surpass nuclear power. The Chair asked if this was an electricity generation comparison. GH responded that this was an energy equivalence comparison, in TWh.

The Chair clarified that the comments on the Proposal and the usefulness of connecting Biogas to the IGT network would be noted in the Workgroup Report for IGT172. GH added that the networks were also preparing for an injection of Hydrogen, which also related in terms of gas entry on IGT networks.

JR suggested replacing "IGT Pipeline" with "IGT network". The Proposer agreed to make this change.

Network Entry Provisions

The Chair emphasised that the Network Entry Provisions needed to remain the same across the UNC and IGT UNC.

Solution

CG queried if it was possible to see new Network Entry Agreement templates (tripartite agreements). The Chair referred to a conversation which took place offline with the Proposer. This included indicating the likely required commitments from the three parties involved on various gas provisions. The conclusion was that a template would be useful, potentially to be added in an ancillary agreement. The Proposer informed the Workgroup that SGN had offered to produce an agreement template.

The Chair asked the Proposer where the Tripartite agreement would sit, as this activity will not be optional for GDNs. The Tripartite agreement contents are not mandated while the activity itself would be mandated. This created a risk that the Distributor could ask for provisions in the agreement which parties would not expect. This could imply a weakness and might prevent IGTs from signing the agreement. JR mentioned that going from past NExA (Network Exit Agreement) examples, the relevant GDN would draft the agreement, to which the IGT would agree. The Chair reminded the Workgroup that the GDN networks are not party to the IGT UNC. The Chair added that the Tripartite Agreement is not transparent to the three parties that must sign it. Furthermore, the template created by SGN would not be mandated as the template to be used by other Distribution Networks. The Proposer pointed to rules within the legal drafting that "Network Entry Provisions *may* specify Local Operating Procedures". The Chair reminded the Workgroup that the inability to know the contents of the Agreement could diminish the legal standing of the document.

JR stated that an Entry Agreement with a GDN is necessary for the process function. They added that there needed to be a compromise for the agreement to work. JR added that as long as the GDN demands are within reason for the IGT, the commercial framework would be robust. JR mentioned that the IGTAD does require IGTs to sign up an agreement and as the IGT is not mandated to sign the agreement, the GDN would ensure that the Agreement is reasonable. The Chair added that tripartite agreement requirement will sit under the UNC and the IGT UNC. The Proposer clarified that the IGT is not obliged to participate in this scheme or to sign the Agreement.

GH clarified that when a contract is agreed for an AD plant to connect to the IGT network, a Shipper will be nominated as the "Pipeline User". GH added that the Entry Agreement would need to be put in place before the AD arrangements can be made. The Chair asked if the Network Entry Provisions for

shippers were contained under the UNC. GH responded that the UNC makes reference to Network Entry Provisions. However, GH added that if inadequate quality gas goes into the network, this would be the Shipper's responsibility under the IGT UNC.

The Chair questioned the need for the entire Network Entry Agreement to be contained in the IGT UNC Modification. The Proposer referred to 1.3.4 in the template for the Network Entry Agreement.

JR queried GH about the need for an additional Shipper for entry as there is already a Shipper for the Gas in the System. GH responded that there must be a separate Shipper must be involved for the biomethane to be injected into the network. This Shipper would incur the same transportation charges that the GDN or the IGT impose on them. GH added that in most cases Barrow Shipping receives no GDN charges for injection of biomethane gas, with the exception of Cadent.

Impacts and Considerations

The Chair asked members about the next steps for this Modification. JR suggested that the Proposer could draft the updated version of the Modification before examining the legal drafting at the next Workstream meeting. They noted that they were the only IGT present on the call.

The Chair noted that GH had provided useful context around Biogas, which should be transmitted to the other IGTs.

KA informed the Workgroup that an impact report was submitted by ER to demonstrate that there are no impacts to the CDSP resulting from the Modification UNC0842. The Chair agreed that this document would be useful to present at the next IGT UNC Workstream meeting on 11th January 2024.

Consumer Benefits

GH noted that any change to the UNC and IGT UNC which would help inject more Biomethane into the network would increase security of supply and that there was potential to change "Improved Safety and Reliability" to Positive from None under Consumer Benefits of the modification. JR agreed with this assessment and added that "No change" assessment may change as the additional sources of gas would not be material in volume initially but could eventually change based on the current energy landscape.

The Chair mentioned that it was essential that UNC and IGT UNC Modifications be implemented at the same time.

The Chair asked if the new gas from the AD plant would be traded in the same way as traditional gas. GH confirmed that it was. GH added that this was a step in reinforcing the energy independence of the UK.

The Chair queried if the fact that the Biogas was Net-Zero should be added to "Reduced Environmental Damage".

GH added that there could be a scenario where a biomethane plant is located close to a housing estate, where the gas is injected and its off take would be in the same area. This would require that the gas is injected at a usable pressure into the IGT network. GH noted that this would be an improved service in contrast to current gas importation requirements. JR agreed with this.

Implementation

The Chair noted that the interdependency between UNC0842 and IGT172 should be emphasised in the Implementation section of the Proposal, and that the service proposed in both individual Modifications cannot go ahead if one of the Modifications is not approved. The Proposer agreed to amend this section.

Legal drafting

JR noted that the tracked changes in the UNC column of the legal drafting were useful as reference points to follow this Modification. The Chair recommended to the Proposer that legal drafting be submitted to the Code Administrator as early as possible in preparation for the next IGT UNC Workstream. JR suggested that the Code Administrator could make a call for feedback before the next meeting, where answers could then be included in the Workgroup Report for IGT172.

23-12 / 02: Code Administrator to request feedback from parties regarding the legal drafting template for IGT172 - Optional Service for physical gas entry into an IGT Pipeline and into the UNC Total System marrying to UNC mod 0842

8. Cross Code Modification Implications Tracker

Watch List

The Code Administrator took the Workgroup through the added Modifications.

UNC0864 – Update of UNC Code Communications: KA queried if the Code Administrator sent any documents via fax. The Chair confirmed that fax is still present within the IGT UNC. KA added that the Modification was assigned to the UNC Governance Workgroup and that the Proposer had raised a ROM through the CDSP to be completed in 2024, once the Solution of the Modification was developed. The Chair noted that email was raised as an alternative to fax but recognised the shortcomings of this method. KA added that the Joint Office has submitted a feedback request from parties. The Chair informed the Workgroup that the Code Administrator would forward the JO request and would also submit a response IGT UNC Code.

UNC0863 – Erroneous Transfers Exception process: The Chair informed the Workgroup that it was being determined whether this Modification should be developed as a REC Modification. CG confirmed that Steve Mulinganie had already agreed to raise this new Modification through the REC. The Chair thanked CG and noted that if this continued under the UNC there would be implications for the IGT UNC.

UNC0856 – Introduction of Trials for Non-Daily Metered (NDM) Demand Side Response (DSR): KA informed the Workgroup that the UNC Modification stated that no change is expected to apply to the IGT UNC and that IGTs would be subject to the changes in the Modification. CG added that the expectation is that the Shippers would decide who they chose to work with in respect of the trials and that Shippers could select sites on IGT networks. CG also noted that this Modification had received substantial support in advance of the UNC Panel.

UNC0849R – Commercial Framework review to Enable Hydrogen Blending: CG informed the Workgroup that the intention was for a 9-month extension to be added to this Modification. A meeting will be held in January before the group have a break to later in the year.

IGT UNC Impact Assessment

UNC0864: CG noted that the IGT UNC can choose the best communication option, possibly based on UNC conversations.

UNC0849R – Commercial Framework review to Enable Hydrogen Blending: CG informed the Workgroup that the intention was for a 9-month extension to be added to this Modification. A meeting will be held in January before the group have a break to later in the year. The Chair suggested that this Modification and the issues being considered could be raised at the IGT UNC Panel to understand the necessity of including IGT networks and sites in the scope of the Modification.

9. IGT UNC Known Issues Register

The Code Administrator advised the Workgroup that there were no new updates to the Known Issues Register.

AOB

10. British Gas X to become British Gas Limited

OC informed the Workgroup of the notification sent to each IGT re a gas Shipper license being transferred to BG Limited from British Gas X Limited as part of a legal entity rationalisation programme. This was published by Ofgem on 19th June. They added that this has all been completed now with effect from 3rd November 2023. OC noted that they had not had the same engagement from the IGTs and not all had responded to their notification. OC noted that this could cause an issue if an IGT still held the wrong information.

JR thanked OC for this update.

DM asked OC if a similar process would occur for Supplier licenses. OC responded that this was just for Shipper licenses. DM asked if the Shipper MPRNs would be transferred from a legal entity to another legal entity. OC confirmed that this was the case. They added that all of the invoice details would be the same.

11. ESP License Consolidation and Fulcrum asset transfer

The Chair noted that consolidation was occurring within the industry.

The Chair added that ESP had consolidated their four licenses into a single license, and they would be keeping “ESP” as a single short code. This portfolio transfer occurred on 1st December.

Fulcrum transferred some of their assets in time for 1st December 2023. This occurs every 6 months.

KA confirmed that they would give the CDSP view on these portfolio transfers to the Workgroup once they have an answer.

23-12/ 02: KA to update the IGT UNC Workgroup on the portfolio transfers with the relevant CDSP information.

12. New IGT acceding to the IGT UNC

The Chair informed the Workgroup that a new IGT was currently acceding to the IGT UNC, and that a current IGT was considering a departure from the IGT UNC.

13. Authority Publishing Moratorium

The Chair reminded the Workgroup of the Authority publishing moratorium from 14th December 2023 to 4th January 2024.

14. New IGT UNC Panel Member

JR informed the Workgroup that nominations for the vacant IGT UNC Panel position had closed, and the results would be announced shortly.

15. British Gas presence at the IGT UNC Panel

OC informed the Workgroup that a restructure was occurring within the Centrica team, and a new Shipper representative would be put forward for the IGT UNC Panel in the future. The Chair thanked OC and added that a new Representative would remove the quoracy issues at the IGT UNC Panel.

The next Workgroup meeting is scheduled for Thursday 11th January 2024

Annex 1 – Actions Table

Reference	Action	Owner	Status
23-11 / 01	Nick King to amend the IGT172 Modification Proposal and draft the legal text in preparation for the December 2023 IGT UNC Workstream	Nick King	Closed
23-12 / 01	Kathryn Adeseye to report back on costs associated with additional nodes and file types as part of the RPC backing data Modification discussion.	CDSP	Open
23-12 / 02	Code Administrator to request feedback from parties regarding the legal drafting template for IGT172 - Optional Service for physical gas entry into an IGT Pipeline and into the UNC Total System marrying to UNC mod 0842	Code Administrator	Open
23-12 / 03	Kathryn Adeseye to update the IGT UNC Workgroup on the portfolio transfers with the relevant CDSP information	CDSP	Open