

Record of Determinations: Panel Meeting 19 October 2017

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members						IGT Voting Member	Consumer Voting Member	Determination Sought
		AG	AL	EW	GJ	RF	SM	CW	MH	HC	JF	RP	NR	SH		
0628 - Standard Design Connections: PARCA process	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Is a Self-Governance Modification - <i>majority vote in favour</i>	X	X	✓	✓	X	X	✓	✓	✓	X	✓	✓	NV	Does Modification satisfy Self-Governance criteria?	
	Issued to Workgroup 0628S with a report presented by the 17 May 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the May 2018 Panel?
0629 - Standard Design Connections: A2O connection process modification	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?	
	Is a Self-Governance Modification - <i> tied vote; determination by Chairs casting vote in favour</i>	X	X	✓	✓	X	X	✓	✓	X	X	✓	✓	NV	Does Modification satisfy Self-Governance criteria?	
	Issued to Workgroup 0629S with a report presented by the 17 May 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the May 2018 Panel?
0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme	Issued to Workgroup 0630R with a report presented by the 17 May 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Request be issued to standalone Workgroup with a report by the May 2018 Panel?	
0631R - Review of NDM algorithm post-Nexus	Issued to Workgroup 0631R with a report presented by the 17 May 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Request be issued to standalone Workgroup with a report by the May 2018 Panel?	
0632 – Shipper asset details reconciliation	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?	
	Is a Self-Governance Modification - <i>majority vote in favour</i>	X	✓	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy Self-Governance criteria?	

	Issued to Workgroup 0632S with a report presented by the 18 January 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the January 2018 Panel?
0633 – mandate monthly read submission for Smart and AMR sites from 01 December 2017	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Is not a Self-Governance Modification - <i>majority vote against</i>	X	X	X	✓	X	X	X	X	✓	✓	X	✓	NV	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0633 with a report presented by the 09 November 2017 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the 09 November 2017 Panel?
	Legal text Requested - <i>majority vote in favour</i>	✓	✓	✓	✓	X	✓	X	X	✓	X	X	✓	✓	Request Legal text?
0635 - Reforms to incentivise accurate and timely DM reads to improve the accuracy of Unidentified Gas allocation	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Is not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0635 with a report presented by the 19 April 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the April 2018 Panel?
0636 - Updating the parameters for the NTS Optional Commodity Charge	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Is not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0636 with a report presented by the 18 January 2018 Panel - <i>majority vote in favour</i>	X	✓	✓	X	X	X	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the January 2018 Panel?
	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?

0637 - Amending the permissions to release data to Meter Asset Provider organisations	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy Self-Governance criteria?
	Proceed to Consultation, Consultation to close out on 09 November 2017 (<i>and therefore be taken at short notice at 16 November Panel</i>) - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Consultation?
	Legal text Requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal text?
0607 - Amendment to Gas Quality NTS Entry Specification at the St Fergus NSMP System Entry Point	Is not a Self-Governance Modification - <i>majority vote against</i>	X	X	✓	X	X	X	✓	X	X	X	X	X	X	X	Does Modification satisfy Self-Governance criteria?
	Proceed to Consultation, Consultation to close out on 09 November 2017 (<i>and therefore be taken at short notice at 16 November Panel</i>) - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be issued to Consultation?
0625 - Extension of 4 months to 10 months to transfer non- mandatory sites from Class 1	Is not a Self-Governance Modification - <i>majority vote against</i>	X	X	✓	X	X	X	✓	X	X	X	✓	X	X	Does Modification satisfy Self-Governance criteria?	
	Proceed to Consultation, Consultation to close out on 02 November 2017 (<i>and therefore be taken at short notice at 09 November Panel</i>) - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be issued to Consultation?	
	Legal text Requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal text?	
0616S - Capacity Conversion Mechanism for Interconnection Points	No new issues identified - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	Did Consultation raise new issues?	
	Implemented - <i>with a unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0616S be implemented? (only votes in favour recorded)	

In favour	Not in Favour	No Vote Cast	Not Present
✓	X	NV	NP

UNC Modification Panel

Minutes of the 213th Meeting held on Thursday 19 October 2017

at Elexon, 4th Floor, 350 Euston Road, London NW1 3AW

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
A Green (AG), Total A Love (AL), ScottishPower E Wells (EW), Corona Energy G Jack (GJ), British Gas R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom	C Warner (CW), Cadent M Hatch (MH), National Grid NTS H Chapman (HC), SGN J Ferguson (JF), NGN R Pomroy (RP), WWU N Rozier (NR), BUUK Infrastructure	S Horne (SH), Citizens Advice

Non-Voting Members:

Chairman	Ofgem Representative	Independent Supplier Representative
A Plant (AP), Chair	R Elliott (RE)	N Anderson (NA)

Also in Attendance:

A Smith* (AS), British Gas; C Whitehouse* (CWh), First Utility; C Nicolas (CN), Xoserve; D Hawkin (DH), TPA Solutions; E Proffitt (EP), MEUC; F Cottam (FC), Xoserve; G Evans (GE), WatersWye; M Shurmer (MS), Observer; I Oshchepkova (IO), ENTSOG; P Garner (PG), Joint Office; R Fletcher (RFI), Secretary; R Hailes (RHa), Joint Office; R Hinsley (RHi), Xoserve; S Britton (SB), Cornwall Insight.

** by teleconference*

Record of Discussions

Introduction

AP introduced the meeting and welcomed new Panel Members Emily Wells (Shipper representative) and Naomi Anderson (Independent Supplier Representative).

AP also welcomed Mark Shurmer to the meeting who would be taking over the role of Independent Panel Chair from the January 2018 meeting for a period of 2 years.

AP asked attendees to note that a number of modifications had been raised without the usual pre-modification discussions with the Joint Office. He noted that this should ideally only happen in exceptional circumstances, as it is difficult for the industry and Joint Office to provide support to proposers and help to manage an effective Panel process without prior knowledge of changes being considered.

213.1 Note of any alternates attending meeting

G Jack for A Margan (British Gas)

M Hatch for D Lond (National Grid NTS)

213.2 Record of Apologies for absence

A Margan

M Hatch

213.3 Minutes and Actions of the Last Meeting(s)

Members approved the minutes from the previous meetings on 21 September 2017 and 12 October 2017.

213.4 Consider Urgent Modifications

None.

213.5 Consider New Non-Urgent Modifications

a) Modification 0628 - Standard Design Connections: PARCA process

MH introduced the modification and its aims.

RF challenged the solution in terms of the reference to fees; were these proportionate and how would they be defined? He was unsure how these would be used in the UNC in terms of context.

Workgroup Specific questions:

Workgroup to consider the modification suitability for Self-Governance;

To review the use of fees and defining a proportionate fee.

For Modification 0628, Members determined:

- It is not related to the Significant Code Review;

- The criteria for Self-Governance are met as this Modification is not expected to have a material impact on the contractual arrangements for the transportation of gas;
- That Modification 0628S be issued to Workgroup 0628S for assessment, with a report to be presented no later than the 17 May 2018 Panel.

b) Modification 0629 - Standard Design Connections: A2O connection process modification

MH introduced the Modification and its aims.

Workgroup Specific questions:

Workgroup to consider the modification suitability for Self-Governance;
Review the use of fees and defining a propionate fee.

For Modification 0629, Members determined:

- It is not related to the Significant Code Review;
- That following the use of the Chairs Casting Vote, the criteria for Self-Governance are met as this Modification is not expected to have a material impact on the contractual arrangements for the transportation of gas;
- That Modification 0629S be issued to Workgroup 0629S for assessment, with a report to be presented no later than the 17 May 2018 Panel.

c) Request 0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme

CW introduced the request and its aims.

AP challenged whether there should be any analysis undertaken prior to the first meetings. SM suggested that as there are a number of industry meetings pushing forward the Switching Programme project, perhaps this should Request should be held back until the design is known. CW agreed to discuss the Request with Ofgem to agree how it would fit in the programme and then agree a suitable workplan with industry participants.

NA would like to see how the review would be managed with the wider industry work, including consideration of related impacts such as SPAA and iGTUNC.

For Request 0630R, Members determined:

- That Request 0630R be issued to Workgroup 0630R for further assessment, with a report to be presented no later than the 17 May 2018 Panel.

d) Request 0631R - Review of NDM algorithm post-Nexus

GE introduced the request and its aims, explaining that there is a significant issue related to unidentified gas which this Request aimed to address in part.

AP suggested that in considering this Request, notifications of specific meetings by PAC and other associated modifications, should parties be considering a single standalone workgroup to address UIG related issues going forward?

There were concerns that DESC hadn't been requested to consider this issue? SM felt that the Workgroup could provide supporting analysis and recommendations to DESC so that the issues could be addressed quickly and with wider industry support.

RP asked if the scope should be more balanced in its descriptions. Is there relevance including the review of previous discussions at DESC and its decisions process. GE advised it isn't a blame game but to understand the logic as to why DESC reached the decision it did.

EP advised that a number of consumers were raising concerns that they might be impacted by significant increases in costs due to additional risk premiums being included in charges, due to the uncertainty around UIG levels – how quickly would this issue be addressed as 6 months is too long for such a significant issue?

AP advised that the process allows for the review to continue, with solutions being brought forward as it progresses, i.e. they do not need to be held back until the final report is provided.

AL wanted to address the issue of multiple groups discussing the same issues i.e. DSC, PAC, DESC and UNC workgroups – there should be coordination through one group.

SM felt that Committees were the wrong focus as wider industry participation should be encouraged so that the right skill set is available.

For Request 0631R, Members determined:

- That Request 0631R be issued to Workgroup 0631R for further assessment, with a report to be presented no later than the 17 May 2018 Panel.

e) Modification 0632 – Shipper asset details reconciliation

GE introduced the Modification and its aims. GE advised that conflicting analysis had been provided from various sources that indicated that there were between 2m and 4m Smart meters installed. Therefore, this modification is aimed to address the data issues to ensure the industry data is reflective of what has actually been installed.

JF noted that “Modification 0430 - Inclusion of data items relevant to smart metering into existing industry systems” introduced obligations for Smart meters to be notified when installed and it would appear this obligation is not being met. She felt that this would interact with SPAA obligations and perhaps a change through that arena would support addressing this issue.

NA advise that SPAA is currently reviewing RGMA obligations for Smart and this is tied in with the faster switching project. However, it would appear that there were areas of common benefit.

GE agreed that the obligations introduced by Modification 0430 were suitable at the time. However, time has moved on and Smart specifications have changed which might be clouding the issue around submitting the correct data.

For Modification 0632, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are met as this Modification is not expected to have a material impact on competition or the contractual arrangements for the transportation of gas;
- That Modification 0632S be issued to Workgroup 0632S for assessment, with a report to be presented no later than the 18 January 2018 Panel.

- f) Modification 0633 – mandate monthly read submission for Smart and AMR sites from 01 December 2017

GE introduced the Modification and its aims. He felt this change would indirectly support the resolution of UIG issues by ensuring data is as accurate as possible. The modification should not be considered material as it is proposing to bring forward an obligation currently planned for April 2018 and therefore systems are likely to be capable to support the obligation.

JF asked a number of questions on the provision of Legal Text and felt this change is not as straight forward as it seems as currently there is no obligation for April 2018 so there is no date to amend? However, these should be resolvable but may not mean legal text is available to meet the timeline for consultation.

PG noted that there were a number of modifications and reports requesting a Panel meeting on different dates in early November – there is a requirement for an extraordinary Panel meeting on 9th November to meet an Urgent Modification process and suggested that other modifications should be planned around this date.

CW asked if there was an equivalent iGT modification needed? GE was unsure but felt the materiality of the data change suggested the desirability of a UNC change being made even if the iGT UNC had to catch up. NR advised that she intended to seek a view from the iGT Code administrator and then raise any issues at the Workgroup meeting.

AL asked if there is a discrimination issue should the change to iGT UNC be delayed? GE did not think so at this time due to the relatively fewer number of Smart meters attached to iGT sites.

Workgroup Specific questions:

- Review modification timeline for implementation;
- Consider implementation issues should the mandated monthly read date be brought forward.

For Modification 0633, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are not met as this Modification is expected to have a material impact on competition between Shippers and Suppliers as it might impact the provision of meter reading arrangements and system builds;
- That Modification 0633S be issued to Workgroup 0633S for assessment, with a report to be presented no later than the 09 November 2017 Panel;
- To request Legal Text.

g) Modification 0635 - Reforms to incentivise accurate and timely DM reads to improve the accuracy of Unidentified Gas allocation

CWh introduced the Modification and its aims.

CW asked if the modification proposed to set aside the current Transporter obligations and incentives for the provision of Daily Meter Readings and establish a new regime for both Shippers and Transporters? GE confirmed this modification requires a payment to be made to the entire market and not just the impacted User, therefore it is a different regime and won't be replacing the current regime.

SM challenged the level of UIG this modification would address. He said the current view is that DM contributes no more than 1% to the overall UIG value, so questioned whether this change is proportionate to the risk.

For Modification 0635, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are not met as this Modification is expected to have a material impact on the contractual arrangements for the transportation of gas;
- That Modification 0635 be issued to Workgroup 0635 for assessment, with a report to be presented no later than the 19 April 2018 Panel.

h) Modification 0636 - Updating the parameters for the NTS Optional Commodity Charge

DH introduced the Modification and its aims.

SM said there are polarised views across the industry as to how this modification cuts across the development of Modification 0621 and how it could impact the overall timeline of the NTSCMF charging review.

GJ agreed with SM's view and that this would be a significant change and that the workgroup would need to establish an appropriate methodology which would take time to agree.

RF felt the relationship to Modification 0621 was being overstated as it was aiming for a wider industry review and reform, whereas this modification was targeting a specific issue and would be an interim measure until Modification 0621 were implemented.

MH disagreed, as there were links to Modification 0621 and it would impact on the time and resources available to develop each modification in a timely manner.

RP felt the modification was reasonably straight forward and offered a pragmatic solution. However, it should not necessarily be rushed or delayed in the process particularly as it was an interim measure.

AL asked if there were system impacts. RH advised that there would be impacts on systems with an option for an interim process until systems were available. However, implementation would be based on prioritization through the DSC Change Management process.

EP asked how many sites were impacted. DH advised that there were about 40 sites impacted which could be demonstrated by definition that they were not short haul.

SM asked if the information provided to Shipper Panel members by Energy UK was available for public record and therefore be published? PG suggested that this would be down to a discussion between the Joint Office and Energy UK as it is not clear as to their intention.

GJ challenged the time allowed to manage this change and that this should be considered in the overall time allowed for the TAR review.

AP advised that in his discussions with SH prior to his leaving the meeting, SH had indicated his preference that this modification be considered sooner rather than later.

AP summed up that there were various opinions in the room on the amount of time needed, but a consensus that the 1 month proposed seemed too short to allow a full consideration of the issues by a Workgroup. He proposed that the modification be issued to Workgroup for 3 months, but that it could revert sooner if possible.

Workgroup Specific questions:

- Potential Solution workarounds and interim options;
- Consideration of system impacts.

For Modification 0636, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are not met as this Modification is expected to have a material impact on the contractual arrangements for the transportation of gas;
- That Modification 0636 be issued to Workgroup 0636 for assessment, with a report to be presented no later than the 18 January 2017 Panel;

i) Modification 0637 - Amending the permissions to release data to Meter Asset Provider organisations

RHi introduced the Modification and its aims.

For Modification 0637, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are met as this Modification is not expected to have a material impact on the competition or the contractual arrangements for the transportation of gas;
- It should proceed to Consultation with a close out date of 09 November 2017 (*and therefore be taken at short notice at the 16 November Panel meeting*).
- To request Legal Text.

213.6 Existing Modifications for Reconsideration

None.

213.7 Consider Workgroup Issues

None.

213.8 Workgroup Reports for Consideration

a) Modification 0607S – Amendment to Gas Quality NTS Entry Specification at the St Fergus NSMP System Entry Point

RP was concerned that there have been a number of modifications addressing this type of issue recently and suggested a review is undertaken to identify an amicable solution. RHa advised that National Grid intend to consult on how changes at these should be managed in future.

For Modification 0607S, Members determined:

- It should proceed to Consultation with a close out date of 09 November 2017 (*and therefore be taken at short notice at the 16 November Panel meeting*).
- Should be considered a material change.

- b) Modification 0625 - Extension of 4 months to 10 months to transfer non-mandatory sites from Class 1

For Modification 0625, Members determined:

- It should proceed to Consultation with a close out date of 02 November 2017 (*includes a deemed request for Legal Text*);
- To consider the FMR at an extraordinary meeting on 09 November 2017.

213.9 Consideration of Workgroup Reporting Dates and Legal Text Requests

Members determined unanimously to extend the following Workgroup reporting date(s):

Workgroup	New Reporting Date
None	

Members determined unanimously to request Legal text for the following modification(s):

Modification
None

213.10 Consideration of Variation Requests

None.

213.11 Final Modification Reports

- a) Modification 0616S – Capacity Conversion Mechanism for Interconnection Points

Panel discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0616>

Members voted unanimously to implement Modification 0616S.

213.12 Any Other Business

- a) CMA Letter

AP provided an overview of the letter prepared in response to the CMA letter. Members provided some comments which were incorporated into the letter.

b) Additional Consumer representation at Panel

RE advised that a number of industry participants had approached Ofgem to request that an additional Consumer Representative be appointed to Panel to represent non-domestic consumers. He advised that Ofgem were seeking views from Panel on a suitable party for this appointment.

AG advised that from previous discussions held with the Joint Office, he had identified that an additional Consumer representative could be appointed by Ofgem.

SH noted that Citizens Advice supported any additional representation at this Panel and others, as they would be able to provide valuable insight for Panel members consideration and views which might be different to industry parties.

SM supported this request and he felt that from the evidence provided today, there was a need for a quick appointment. AL asked if there should be an election to identify a suitable candidate or modification required to make the appointment. RE confirmed the appointment was in Ofgem's gift and they were now seeking views from Panel on selection.

RF was supportive but wanted to understand who would be eligible for the role, would others be able to confirm they were a consumer representative – what is the definition of a Consumer representative for this key role.

AP suggested that Ofgem provide a suggested process on how this application could be managed in future, and how they would like any interim process to be managed.

RE advised that he would keep Panel informed of Ofgem discussions.

c) Xoserve inputting reads on Supply Points at D-7 – Update Paper

RHi advised that during the UNC Modification Panel meeting held on 12th October to discuss Modification 0634 (Urgent): “Revised estimation process for DM sites with D-7 zero consumptions” there was a concern raised regarding Xoserve providing estimated Meter Readings for Daily Metered (DM) Supply Points, where the actual readings were not being recorded on UK Link systems. This occurred where the D-7 estimate reading was deemed to be inaccurate. Panel members understood Xoserve were in some circumstances providing an estimated Meter Reading which has been determined in a manner that was not contemplated by the UNC.

At this meeting Panel members asked for additional information on this issue.

A briefing paper has been provided and is published along side these minutes www.gasgovernance.co.uk/panel/191017

213.13 Conclusion of Meeting and agreed Date of Next Meeting

- 09.30, Thursday 09 November 2017, by teleconference
- 10:30, Thursday 16 November 2017, at Elexon

Action Table (19 October 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			(none)		