

Record of Determinations: Panel Meeting 16 November 2017

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members						IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought
		AG	AL	AM	JP	RF	SM	CW	DL	HC	JF	RP	NR	SH	EP		
0634 (Urgent) - Revised estimation process for DM sites with D-7 zero consumption	Issued to the Distribution Workgroup with a report presented by the 19 April 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	NP	Should the subject of Modification 0634 be issued to Workgroup with a report by the April 2018 Panel?	
0619B - Application of proportionate ratchet charges to daily read sites	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	NP	NP	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	NP	NP	Does Modification satisfy Self-Governance criteria?	
	Issued to Workgroup 0619 with a report presented by the 21 December 2017 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	NP	Should Modification be issued to Workgroup with a report by the December 2017 Panel?	
0627S - Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Exit connections	To consider Workgroup Report at Short Notice - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	NP	Consider Workgroup Report at Short Notice	
	Proceed to Consultation, Consultation to close out on 07 December 2017 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	NP	Should DMR be issued to Consultation?	
0623 - Governance Arrangements for Alternatives to Self-Governance Modification Proposals	Legal Text Requested - <i>unanimous vote in Favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	To Request Legal Text?	
0607 - Amendment to Gas Quality NTS Entry Specification at the St Fergus NSMP System Entry Point	No new issues identified - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Did Consultation raise new issues?	
	Implementation Recommended - <i>with a unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Should Modification 0607 be implemented? (only votes in favour recorded)	
0637S - Amending the permissions to release data to Meter Asset Provider organisations	No new issues identified - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Did Consultation raise new issues?	
	Implemented - <i>with a unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Should Modification 0637S 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 215th Meeting held on Thursday 16 November 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 A Margan (AM), British Gas J Price (JP), Corona Energy R Fairholme (RF), Uniper S Mulinganie* (SM), Gazprom	C Warner (CW), Cadent D Lond (DL), 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:

K Jones (KJ), Joint Office; P Garner (PG), Joint Office; R Fletcher (RFI), Secretary; R Hailes (RHa), Joint Office; R Hinsley (RHi), Xoserve and S Britton (SB), Cornwall Insight.

* *by teleconference*

Record of Discussions

Introduction

AP introduce the meeting and set out the order of business.

215.1 Note of any alternates attending meeting

J Price for E Wells (Corona Energy)

215.2 Record of Apologies for absence

E Proffitt

E Wells

215.3 Minutes and Actions of the Last Meeting(s)

Members approved the minutes from the previous meetings on 19 October 2017 and 09 November 2017.

215.4 Consider Urgent Modifications

a) *0634 (Urgent) - Revised estimation process for DM sites with D-7 zero consumption*

AP advised that as Modification 0634 had been implemented, the Modification Rules allow Members to issue the subject of the Modification to a relevant Workgroup and for them to provide a report.

SM was concerned that although the Modification was not widely supported, Ofgem still decided it should be implemented. He noted in Ofgem's decision letter that the topic could be referred back to Workgroup. He felt the process should be limited by a sunset clause.

AL challenged that views expressed by Panel Members should not be as organisational representatives but as representatives of the industry as a whole.

RP noted that the Ofgem decision letter had indicated that the subject could be referred back to Workgroup. He also advised that he had raised the subject of the use of the CDSP's discretion at the Performance Assurance Committee (PAC), suggesting they should monitor its use.

AP requested if an implementation date was available. He felt this would influence the Workgroup process and when Panel should expect a report. RHi advised that implementation should be reasonably quick once the process was fully understood. However, there were concerns about how Shipper challenges would be managed.

RP challenged the view of an April reporting date for the Workgroup, as he was concerned about CDSP reporting and when this would be available to PAC. AM wanted to understand how the reporting would be made available, would they need to wait for reports to be specified.

RHi confirmed the modification set out initial reporting requirements as part of implementation.

SM wanted to understand when the process would be effective so that he could establish when to submit a modification to introduce an end date.

CW advised that he provide an implementation date to the Joint Office which would make the process effective from 05:00hrs on 20 November 2017.

The Workgroup is requested to consider the following:

- Should the Modification effect be for a transitional period or enduring.
- Review the intent of Modification Solution and Legal Text to ensure consistent interpretation.

For the topic of Modification 0634, Members determined:

- That the subject of Modification 0634 be issued to the Distribution Workgroup for assessment, with a report to be presented no later than the 19 April 2018 Panel.

215.5 Consider New Non-Urgent Modifications

a) Modification 0619B - Application of proportionate ratchet charges to daily read sites

AM introduced the modification and its aims. He asked members to note that the modification had been amended the day prior to Panel so as to include reporting.

AL asked if this application was restricted to Class 2 sites only. AM confirmed its effective would be on both Class 1 & 2 sites.

SM challenged why the modification had been raised so late in the process. AM advised that he wanted to understand the differences between Modifications 0619 and 0619A before submission. He also felt there was sufficient time to be able to provide a report to the December Panel.

There was a discussion as to whether it would be possible to bring the report back to December due to Legal Text Challenges and compressed timescales. However, Members concluded it would be beneficial to seek a report for December and then to take a view on Legal Text.

For Modification 0619B, 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 0619B be issued to Workgroup 0619 for assessment, with a report to be presented no later than the 21 December 2017 Panel.

215.6 Existing Modifications for Reconsideration

None.

215.7 Consider Workgroup Issues

None.

215.8 Workgroup Reports for Consideration

a) Modification 0627S - Removal of the absolute requirement to include a Remotely Operable Valve (ROV) Installation for all new NTS Exit connections

AL asked for a view on Relevant Objectives; should standard and/or charging Relevant Objectives be used. RP held similar concerns, particularly where this Modification impacts physical equipment on site with an associated charging impact – it was not seeking to change the charging methodology.

AP asked if the issue should be returned to Workgroup to test which Relevant Objectives should be used prior to the Modification being issued to consultation.

AL suggested a view should be sought during consultation. DL supported this view as this Modification could be seen as offering a direct consumer benefit and should not be delayed as a consequence of questioning governance.

It was agreed a generic question about the application of Standard as opposed to Charging Relevant Objectives should be considered by the relevant Workgroups to seek a view, rather than link it just to this modification.

AL wanted to further understand the potential impacts on the Transporter's Safety Case and operational procedures should the site require to be isolated and a valve turned down.

DL confirmed this Modification should not impact the Transporter in terms of its operation.

For Modification 0627S, Members determined:

- Should be considered at short notice;
- It should proceed to Consultation with a close out date of 07 December 2017.

215.9 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
0623 - Governance Arrangements for Alternatives to Self-Governance Modification Proposals

AM challenged when Workgroup 0594R would report as there was a moral responsibility to provide a report, whereas it had appeared to have stalled. SM agreed that the report should be concluded, however the subject had been overtaken by events with both Modifications 0633 and 0638 being raised.

BF advised the Workgroup intention is to conclude the report in time for the December Panel.

215.10 Consideration of Variation Requests

None.

215.11 Final Modification Reports

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

Panel discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0607>

Members voted unanimously to recommend the implementation of Modification 0607.

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

JF noted that this Modification and other similar Modifications do not fix the underlying issues concerning data quality/accuracy.

JF asked if a formal change needs to be raised to instruct the CDSP to release data. AM felt this was not needed as Shipper data is held centrally and should not require permissions from iGTs to release the data. It was agreed the subject would be included on DSC Contact Management Committee agenda as a generic issue for consideration.

NR confirmed that an iGT UNC Modification would be raised to mirror the effects of this Modification.

Panel discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0637>

Members voted unanimously to implement Modification 0637S.

215.12 Any Other Business

a) Panel Feedback

AP requested Members to provide any feedback they might have on the circulated forms.

b) Alternative Voting for Panel Members

AP introduced the item around voting for alternates or how votes could be provided by proxy.

SM was concerned that due to Urgent meetings it may not be possible to get Members or their alternates to attend a specific meeting and an option of instructing the Panel Chair to provide votes by proxy should be available.

PG was concerned that there is not always an option for an instruction that is yes/no and there may be other options due to other vote outcomes. SM agreed that there might be a situation where a vote might not be exercised due to changes but he felt that this was rare and explainable.

AP felt it was difficult for the Chair to act as an alternate and to maintain independence, therefore he did not support a view that the Chair should act as an alternate other than in extremis.

AP advised that he had exercised a proxy vote for a Panel Member in specific instances and following a discussion with the Member, as they were due to leave the meeting. However, this did not provide him with a discretion to use the vote in different ways.

SM wanted a view on providing instructed votes to be presented to Panel by the Chair on behalf of the Member. He agreed the Chair should not be allowed to exercise their discretion in these circumstances.

SH agreed it wasn't fair for a Chair to be asked to vote on a Members behalf except in unusual circumstances. However, it should be possible for the Member to instruct the Chair directly but this should be used sparingly with an alternate being the preferred route.

AM wanted to understand if a Member leaves the room should they lose their vote or nominate an alternative – he understood this to be the standard practice?

It was agreed that Panel Members may only pass their vote to the Chair at the chair's discretion, and only "in extremis".

c) Additional Non-Domestic Consumer Representative

PG provided an overview of the appointment of E Proffitt (EP) as Non-Domestic Consumer Representative. PG clarified that an email had been sent to the industry by the Joint Office, confirming EP as the Non-Domestic Consumer Representative and clearly this was a mistake, as only Ofgem can appoint a person to the role. An email explaining the error has been sent to the industry.

RE confirmed that Ofgem have now formally appointed EP as Non-Domestic Consumer Representative until 30 September 2018.

AM asked what the future nomination process would be? RE advised that it is likely to form part of the UNC election process and nominations for Non-Domestic Consumer Representative would follow a similar route. However, the responsibility for appointment would remain with Ofgem.

d) Planning conflicts between UNC and iGT UNC meetings

AM asked if it would be possible where there is an existing and long standing industry meeting planned and in the diary, should that date be respected. He was concerned that it was not always possible to attend meetings to ensure there were no clashes.

PG noted the issue but there are a number of major topics running which are impacting available dates and at times the Joint Office is cancelling its meetings to allow other short notice industry meetings to run. There was a lot of meeting congestion in this is likely to get more significant during November and December.

e) Ofgem Christmas moratorium

RE advised that Ofgem had provide a moratorium email for the Christmas period with an extract as follows:

Dear Code Administrator,

As you will be aware, Ofgem has set itself a target of issuing 90% of code modification decisions within 25 working days of receiving Final Modification Reports (or the closing date of the Impact Assessment/consultation, if applicable). During the Christmas period we do not generally publish decisions or other information on our website. Our last publishing day this year will be Wednesday 20 December; we will begin to publish documents again on Tuesday 2 January 2018.

We have written to you in the past to you to let you know that we will take into account the days that fall during Ofgem's Christmas 'publishing moratorium' when calculating the KPI/indicative decision date for any modification proposals that had been submitted to us for decision. We will adopt the same approach this year. Whilst it may extend the decision timetable for some code modification decisions, it will continue to ensure transparency around decision timings and reduce scope for Ofgem issuing a high number of decisions ahead of or during the publishing moratorium period. We expect industry, in particular smaller parties, will find this helpful.

We will be communicating this at the next code Panel meeting so that this can be taken into account if need be when considering modification implementation timescales. It may be appropriate to issue certain code modification decisions during the publishing moratorium (for example, for reasons of urgency) and we will consider this on a case-by-case basis.

If you have any questions in the meantime please contact us.

Raymond Elliot
Manager, Industry Codes and Licensing
Consumers and Competition
9 Millbank
London

215.13 Conclusion of Meeting and agreed Date of Next Meeting

- 09.30, Friday 24 November 2017, by teleconference
- 10:30, Thursday 21 December 2017, at Elexon

Action Table (16 November 2017)

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