

Record of Determinations: Panel Meeting 16 January 2014

| Modification | Vote Outcome | Shipper Voting Members | | | | | Transporter Voting Members | | | | | Consumer Representative | Determination Sought | |
|--|--|------------------------|----|----|----|----|----------------------------|----|----|----|----|-------------------------|----------------------|---|
| | | AG | AM | PB | RF | SM | CW _a | EM | JE | JF | CS | KES | | |
| 0475 - Update to Section G, Annex G3 (Prospective Erroneous Large AQ Calculation Proforma) | Not related to the Significant Code Review - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | X | Modification is related to Significant Code Review |
| | Is a Self-Governance Modification - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Modification should follow Self-Governance Procedures |
| | Issued to Workgroup 0475 - with 10 votes in favour and 1 vote against | ✓ | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Should be referred to Workgroup 0475 |
| | Workgroup to report by the April 2014 Panel - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Workgroup to report by the April 2014 Panel |
| 0476 - Alignment of DN Charging Methodology with RIIO-GD1 Arrangements | Not related to the Significant Code Review - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | X | Modification is related to Significant Code Review |
| | Is a Self-Governance Modification - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Modification should follow Self-Governance Procedures |
| | Proceed to consultation - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Issue to Consultation |
| | Legal Text requested - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Request legal text |
| | Legal text not required - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Legal text not required for inclusion in DMR |
| | Cost estimate not required - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Cost estimate not required for inclusion in DMR |
| | Consultation to close out on 06 February - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Extend consultation |
| | Not related to the Significant Code Review - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | X | Modification is related to Significant Code Review |

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| 0477 - Supply Point Registration - Facilitation of Faster Switching | Is not a Self-Governance Modification - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | Modification should follow Self-Governance Procedures |
| | Issued to Workgroup 0477 - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Should be referred to Workgroup 0477 |
| | Workgroup to report by the March 2014 Panel - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Workgroup to report by the March 2014 Panel |
| 0458 - Seasonal LDZ System Capacity Rights | Workgroup to report by March 2014 Panel - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Extend Workgroup reporting date to March 2014 Panel |
| 0469S - Transporter Gas Safety Visit Reporting | Workgroup to report by April 2014 Panel - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Extend Workgroup reporting date to April 2014 Panel |
| 0425V - Re-establishment of Supply Meter Points – Shipperless sites | Amend the 0425V FMR as per the Ofgem direction and forward it to Ofgem - unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Amend the 0425V FMR as per the Ofgem direction and forward it to Ofgem |
| 0431 - Shipper/Transporter - Meter Point Portfolio Reconciliation | Not returned to Workgroup - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | Did consultation raise new issues |
| | Implementation recommended - Unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Whether to recommend implementation |
| 0432 – Project Nexus – gas settlement reform | Not returned to Workgroup - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | Did consultation raise new issues |
| | Implementation recommended - Unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Whether to recommend implementation |
| 0434 - Project Nexus – Retrospective Adjustment | Not returned to Workgroup - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | Did consultation raise new issues |
| | Implementation recommended - Unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Whether to recommend implementation |
| 0450 - Monthly revision of erroneous SSP AQs outside the User AQ Review Period | Not returned to Workgroup - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | Did consultation raise new issues |
| | Implementation not recommended - with 4 votes in favour | ✓ | | ✓ | ✓ | ✓ | | | | | | | Whether to recommend implementation |
| 0450A - Monthly revision of erroneous SSP AQs outside the User AQ Review Period | Not returned to Workgroup - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | Did consultation raise new issues |
| | Implementation not recommended - with 1 vote in favour | | ✓ | | | | | | | | | | Whether to recommend implementation |
| 0450R - Monthly revision of erroneous SSP | Not returned to Workgroup - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | Did consultation raise new issues |

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| 0450B - Monthly revision of erroneous SR AQs outside the User AQ Review Period | Implementation not recommended - with 4 votes | ✓ | | ✓ | | ✓ | | | | | | ✓ | Whether to recommend implementation |
| | Do not prefer 0450 | X | X | X | ✓ | X | NV | NV | X | NV | NV | X | 0450 better facilitates the relevant objectives than 0450A or 0450B |
| | Do not prefer 0450A | X | ✓ | X | X | X | NV | NV | NV | NV | NV | X | 0450A better facilitates the relevant objectives than 0450 or 0450B |
| | Prefer 0450B | ✓ | X | ✓ | X | ✓ | NV | NV | NV | NV | NV | ✓ | 0450B better facilitates the relevant objectives than 0450 0450A |
| 0454 - Introduction of a Long Term Non Firm Capacity Product | Not returned to Workgroup - unanimous vote against | X | X | X | X | X | X | X | X | X | X | X | Did consultation raise new issues |
| | Implementation recommended - Unanimous vote in favour | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Whether to recommend implementation |

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

UNC Modification Panel

Minutes of the 153rd Meeting held on Thursday 16 January 2014 at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Voting Members:

| Shipper Representatives | Transporter Representatives | Consumer Representative |
|---|--|---------------------------------------|
| A Green (AG), (Total) A Margan (AMa), British Gas P Broom (PB), GdF Suez R Fairholme (RF), E.ON UK S Mulinganie (SM), Gazprom | C Shanley (CS), National Grid NTS C Warner (CWa), National Grid Distribution E Melen (EM), Scotia Gas Networks J Edwards (JE), Wales & West Utilities J Ferguson (JF), Northern Gas Networks | K Elliott-Smith (KES), Consumer Focus |

Non-Voting Members:

| Chairman | Ofgem Representative |
|------------------------------|-----------------------------|
| L Jenkins (LJ), Joint Office | A Rooney (ARo), Ofgem |

Also in Attendance:

A Raper (ARa), National Grid Distribution; A Wallace (AW), Ofgem; C Hill (CH), Co-operative Energy; F Cottam (FC), Xoserve; H Chapman (HC), Xoserve; R Fletcher (RF), Secretary; R Hay (RHa), Ofgem and S McGoldrick (SMc), National Grid NTS.

Record of Discussions

153.1 Note of any alternates attending meeting

A Margan for C Wright (British Gas)
C Shanley for R Hewitt (National Grid NTS)
E Melen for A Musgrave (Scotia Gas Networks)
J Edwards for S Edwards (Wales & West Utilities)
S Mulinganie for A Barnes (Gazprom)

153.2 Record of Apologies for absence

A Barnes, A Musgrave, C Wright, R Hewitt and S Edwards.

153.3 Minutes and Actions of the Last Meetings

The minutes of the 19 December 2013 meeting were accepted.

The minutes of the 10 January 2014 meeting were accepted.

Action 10/01: Provide amended text which includes an implementation date in Section 13 TPD Section E: Daily Quantities, Imbalances and Reconciliation, paragraph 13.1.1

Update: JF advise that text could not be provided with an implementation date unless the Panel were able to provide guidance on an appropriate date. Their preference is for implementation on 01 April 2014 though they note that system changes were required and this may impact the effective date of the modification.

ARo noted the concerns raised but countered that text had been provided with implementation dates for other modifications in the past. JF asked Members to note that Ofgem had suggested 01 February as an implementation date and that it was their intention to provide updated text with 01 February 2014 as the implementation date and to correct a number of typographical errors.

Members acknowledged the proposed changes to the text should be sent to Ofgem in an amended Final Modification Report.

Closed

Action 10/02: Provide a view from Xoserve of the earliest date they could provide the reporting required under 0451V/0451AV **Update:** JF noted that the modification could be implemented earlier than the systems needed to be changed as they could manage an offline process. **Closed**

153.4 Consider New, Non-Urgent Modifications

- a) Modification 0475 - Update to Section G, Annex G3 (Prospective Erroneous Large AQ Calculation Proforma)

AMa introduced the modification on behalf of the proposer. JF clarified that the G3 table referred to in this modification was removed deliberately from Modification 0392, it was not an oversight or omission. JF explained that the G3 table is used for different purposes to the table contained in the CSEP NExA, the G3 table contains information for older properties while the CSEP NExA table is used for calculating AQs for properties on new developments.

For Modification 0475, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are met as this modification is not expected to have a material impact on competition or consumers;
- The modification be issued to Workgroup 0475 for assessment with a report presented by the April 2014 Panel.

- b) Modification 0476 - Alignment of DN Charging Methodology with RIIO-GD1 Arrangements

AR introduced the modification and its aims. PB asked if it was proposed to treat debits and credits the same way. AR confirmed that this was the approach. CWa confirmed that the Suggested Text provided in the modification was suitable for inclusion in the DMR.

For Modification 0476, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are met as this modification is not expected to have a material impact on competition or consumers;
- To request Legal Text;
- It should proceed to consultation;
- Legal text is not required for inclusion in the draft Modification Report;
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation to close out 06 February 2014.

c) Modification 0477 - Supply Point Registration - Facilitation of Faster Switching

AMa introduced the modification and its aims. AG asked if the scope related to Small Supply Points only. AMa confirmed that the scope included all Supply Points regardless of size. SMC was concerned that there is a difference in process for larger Supply Points and should this be a topic for Workgroup discussion.

AW noted that the modification supports both industry and government aims and should be targeted for a report to the April Panel with implementation by November 2014.

PB asked how many Supply Points were confirmation only, AR advised that about 95% were.

CWa felt that the Workgroup should clarify the objection deadline.

Members considered the provision of text and Transporters advised that they would seek to provide text asap though at this stage it was too early for Legal Text to be requested by Panel.

For Modification 0477, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition and consumers;
- The modification be issued to Workgroup 0477 for assessment with a report presented by the March 2014 Panel.

153.5 Consider Workgroup Issues

Consideration of Workgroup Reporting Dates and Legal Text Requests:

Members determined unanimously to extend the following Workgroup reporting dates:

| Workgroup | Reporting Date |
|--|----------------|
| 0458 - Seasonal LDZ System Capacity Rights | March 2014 |
| 0469S - Transporter Gas Safety Visit Reporting | April 2014 |

153.6 Final Modification Reports

- a) Modification 0425V - Re-establishment of Supply Meter Points – Shipperless sites

After considering Ofgem's request for an amended Final Modification Report, Members unanimously determined that the Final Modification Report should be updated to reflect the implementation date provided in the amended Legal Text.

See the Final Modification Report published at www.gasgovernance.co.uk/0425

- b) Modification 0431 - Shipper/Transporter - Meter Point Portfolio Reconciliation

Members determined unanimously to recommend implementation.

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0431

- c) Modification 0432 – Project Nexus – gas settlement reform

Members determined unanimously to recommend implementation.

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0432

- d) Modification 0434 - Project Nexus – Retrospective Adjustment

Members determined unanimously to recommend implementation.

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0434

- e) Modification 0450 0450A 0450B - Monthly revision of erroneous SSP AQs outside the User AQ Review Period

Members determined not to recommend implementation for Modifications 0450, 0450A and 0450B.

Having considered this Modification Report, the Panel recommends that proposed Modification 0450B better facilitates the Relevant Objectives than proposed Modifications 0450 and 0450A.

For Panel discussion see Final Modification Report published at www.gasgovernance.co.uk/0450

- f) Modification 0454 - Introduction of a Long Term Non Firm Capacity Product

Members determined unanimously to recommend implementation.

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0454

153.7 Consents to Modify

- a) Consent to Modify C052 - Revision to the legal text associated with the implementation of UNC Modification 0376S Increased Choice when Applying for NTS Exit Capacity”

LJ advised an update should be available for the next meeting.

153.8 Any other business

- a) Reforms to the change of supplier (COS) meter read process for smart gas meters

RHa provided an update on the proposed reforms to the change of supplier meter read submission process for SMART gas meters and an overview of the recent open letter to the industry. Noting that a similar letter had been issued to the electricity industry.

RHa explained the change of supplier process differences between Gas and Electricity markets and the issues likely to be encountered.

SM clarified that central systems in Gas hold a view of meter assets. However, the Meter Asset Manager (MAM) provides the actual onsite asset details following its appointment by the Supplier. AW asked if the meter information was provided to the Supplier prior to submitting open/closing reads to Xoserve – SM confirmed it was.

AMa asked how could the in going and out going Suppliers have access to the same read data at the same time? RHa agreed it was an issue to be considered and addressed by the joint working group.

Questions were asked about the tariff register updates in the electricity market as there is no similar product in gas. RHa explained this is a difference, which has been highlighted and should be considered when reviewing the processes.

AW confirmed the focus is on SMART meters and not advanced meters.

AM asked if iGTs and the iGT Modification Panel is to be involved in the process. RHa confirmed they had been copied into the letter and that their involvement would be encouraged.

SM asked if the review is likely to impact the assessment of Modification 0477. AW advised that they have different objectives – the focus of this

joint working group is to consider meter reads through SMART and not reducing the objection window as proposed in Modification 0477.

JF noted that the SMART Metering technical group had reviewed this process before and wondered if it would sit better with them. AW felt that the two groups would have different objectives but should call on each others knowledge. AMa asked about timelines. AW thought that the target should be set around DCC go-live in 2015.

AMa was also concerned about the amount of change already in the industry programme. PB asked if the Shipper agents process (where a small Supplier appoints a Shipper to conduct transportation business on their behalf) had been considered as this may impact the timing and flow of information.

CWa advised that the SPAA Executive Committee were prepared to coordinate a joint working group with an open invite to all parties. The UNC would be modified through the modifications process as required.

b) European Code Developments

CS provided an overview of the proposed development and implementation plan for European related modifications resulting from the 3rd energy package.

CS explained the proposed modifications and their expected timeline. It is possible that the first modifications may be raised for the February Panel.

SM asked if there were any proposed implementation dates. CS advised that the aim is for implementation prior to the compliance date.

AR asked if the modifications would be classed as European Modifications as defined in Modification 0448. This was confirmed as so should Modification 0448 be implemented.

SM wanted to know how far reaching the impacts were, do they impact downstream shippers. CS advised this would need to be considered in the Workgroup.

CS asked if members favoured a European Workgroup approach. This was generally agreed. However, it may be beneficial to hold the Workgroup on the same days as Transmission Workgroup should workload remain light for the latter.

153.9 Conclude Meeting and Agree Date of Next Meeting

10:30 20 February 2014, at the ENA.