

Record of Determinations: Panel Meeting 16 October 2014

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Determination Sought
		CH	AG	AM	PB	AT	CW	EM	JF	RP	RH	
0501B - Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations	Considered at short notice - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To consider at short notice
	Not a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Legal text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal Text
	Issued to Workgroup 0501 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0501 for assessment
	Workgroup to report by the November 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the November 2014 Panel
0516 - Information provision by large Customers to aid understanding of site characteristics	Not a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0516 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0516 for assessment
	Workgroup to report by the February 2015 Panel - with 8 votes in favour and 2 votes against	✓	✓	X	✓	✓	✓	✓	✓	✓	X	Workgroup to report by the February 2015 Panel
0517 - Review of the Supply Matching Merit Order in Setting Capacity Charges	Not a Self-Governance Modification - unanimous vote in favour	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0517 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0517 for assessment
	Workgroup to report by the January 2015 Panel - with 9 votes in favour and 1 vote against	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the January 2015 Panel

0466 0466A - Daily Meter Reading Simplification (with improved within day data provision)	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 06 November - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consultation end on 06 November 2014 (15 days)
0473 0473A - Project Nexus – Allocation of Unidentified Gas	Proceed to consultation - with 9 votes in favour and 1 vote against	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 13 November - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consultation end on 13 November 2014 (>15 days)
	Consider at short notice at the November Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To consider the FMR at short notice at the November Panel
0493 - EU Gas Balancing Code - Daily Nominations at Interconnection Points (IP)	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 06 November - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consultation end on 06 November 2014 (15 days)
0498 - Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point	Workgroup to report by May 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to May 2015 Panel

0502 - Amendment to Gas Quality NTS Entry Specification at the px Teesside System Entry Point	Workgroup to report by May 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to May 2015 Panel
0505S - Update to UNC TPD Section G & M to correct anomalies arising from the implementation of UNC Modification 0463S	Workgroup to report by December 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to December 2014 Panel
0511 - Introduction of an Enduring Solution for managing Advanced Meters in central systems post Nexus	Workgroup to report by January 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to January 2015 Panel
0512S - Amendment to Section M to be consistent with Faster Switching proposals	Workgroup to report by December 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to December 2014 Panel
0469S - Transporter Gas Safety Visit Reporting	Legal text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To request legal text
0487S – Introduction of Advanced Meter Indicator and Advanced Meter Reader (AMR) Service Provider Identifier	Considered at short notice - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To consider at short notice
	Variation is material - 6 votes in favour and 4 votes against	✓	X	✓	✓	X	X	✓	X	✓	✓	Is Variation material
0487VS – Introduction of Advanced Meter Indicator and Advanced Meter Reader (AMR) Service Provider Identifier	Is a Self-Governance Modification - with 9 votes in favour and 1 vote against	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	Does Modification satisfy the Self-Governance criteria
	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 06 November - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consultation end on 06 November 2014 (15 days)
0445 - Amendment to the arrangements for Daily Metered Supply Point Capacity	Amended FMR returned to Ofgem - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Return amended FMR to Ofgem
0497 - Removal of the CSEP NExA table held	No new issues identified - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues

within Annex A part 8	Implementation recommended - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be implemented (only votes in favour recorded)
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KEY	In favour	Not in Favour	No Vote Cast	Not Present
	✓	X	NV	NP

UNC Modification Panel

Minutes of the 167th Meeting held on Thursday 16 October 2014 at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
C Hill (CH), Cooperative Energy A Green (AG), Total A Margan (AM), British Gas P Broom (PB), GDF Suez A Travell (AT), E.ON UK	C Warner (CW), National Grid Distribution E Melen (EM), Scotia Gas Networks J Ferguson (JF), Northern Gas Networks R Pomroy (RP), Wales & West Utilities R Hewitt (RH), National Grid NTS	

Non-Voting Members:

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

Also in Attendance:

A Miller (AMi), Centrica Storage; H Chapman (HC), Xoserve; K Elliott-Smith (KES), Cornwall Energy; P Rogers (PR), National Grid Distribution; R Fletcher (RF), Secretary, R Johnson (RJ), Wingas and S Mulinganie* (SM), Gazprom.

* by teleconference

Record of Discussions

167.1 Note of any alternates attending meeting

A Travell for R Fairholme (EON UK)

E Melen for A Musgrave (Scotia Gas Networks)

R Pomroy for S Edwards (Wales & West Utilities)

167.2 Record of Apologies for absence

A Musgrave, C Alexander, R Fairholme and S Edwards.

167.3 Minutes and Actions of the Last Meeting(s)

Members approved the minutes from 18 September meeting.

167.4 Consider Urgent Modifications

- a) 0513 (URGENT) - UK Link Programme (Project Nexus) - independent project assurance for Users

AR explained that discussions were ongoing with a number of interested parties though the aim is to provide a decision letter asap.

167.5 Consider New Non-Urgent Modifications

LJ advised that as the Gas Security of Supply Significant Code Review had concluded, members would not be asked to consider whether a modification is related to the Significant Code Review.

- a) Modification 0501B - Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations

AMi introduced the modification and its aims. AM asked if the capacity allocation requirements could be reviewed by the Workgroup to ensure capacity that is handed back and made available to those who are not allocated enough through the auction process.

RH confirmed that any returned capacity would be reallocated through the next available relevant auction.

For Modification 0501B, Members determined:

- To be considered at short notice;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on commercial arrangements between Transporters and Shippers;
- To request Legal Text; and
- That modification 0501B be issued to Workgroup 0501 for assessment with a report presented by the November Panel.

- b) Modification 0516 - Information provision by large Customers to aid understanding of site characteristics

RJ introduced the modification and its aims.

PB asked if the intent is to provide a priority list for use by Transporters during an emergency. RJ confirmed the list could be used for such a purpose. PB asked what happens if a consumer does not join the register, how would they be treated. RJ confirmed the existing rules would apply, as there were no proposed obligations on transporters to use this process.

Questions for Workgroup consideration:

Would the proposed process require central systems development to record the information, if so should it be a User Pays modification based on possible Supply Point administration changes;

Within the modification, should the obligations on Consumers be replaced by obligations on Shippers.

For Modification 0516, Members determined:

- The criteria for Self-Governance are not met as this modification is expected to have a material impact on consumers;
- That modification 0516 be issued to Workgroup 0516 for assessment with a report presented by the February 2015 Panel.

- c) Modification 0517 - Review of the Supply Matching Merit Order in Setting Capacity Charges

RH introduced the modification and its aims. LJ explained that a number of options were discussed at workgroup prior to this modification being raised and so it should be considered as being reasonably well advanced in its development.

For Modification 0517, Members determined:

- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition;
- That modification 0517 be issued to Workgroup 0517 for assessment with a report presented by the January 2015 Panel.

167.6 Consider Workgroup Issues

Workgroup Reports for Consideration

- a) Modification 0466 0466A - Daily Meter Reading Simplification (with improved within day data provision)

RH challenged whether NTS directly connected DM supply points should be included in the allocation of costs under User Pays. Not all Panel

Members agreed with this view..

Question for Consultation:

Can respondents confirm how many sites are likely to take up the services proposed.

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Legal text is not required for inclusion in the draft Modification Report; and
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 06 November 2014.

b) Modification 0473 0473A - Project Nexus – Allocation of Unidentified Gas

LJ explained that Modification 0473 solution and Legal text is available for Panel consideration. However, for Modification 0473A the solution is complete but the Legal text won't be finalised until 23 October.

RH challenged the solution and Legal text as it does not specify what type of transporter is being referred to, should it refer to Relevant Transporter to ensure it applies to DN Transporters only. JF confirmed that this is just updating existing Code and these are existing terms, which are not changing the intent of the existing Code or the Legal text being implemented for Modification 0432.

CW confirmed that NTS sites would be allocated unidentified gas costs as Nexus includes them in Product Class 1. RH felt this may be introducing a cross subsidy to the detriment of NTS directly connected sites as allocation is based on DN measured quantities and not whole system quantities. He added that NTS directly connected sites attract NTS shrinkage costs and so they should be excluded.

Questions for consultation:

Respondents are requested to provide as much information and analysis to support their response, particularly any justification for why any particular class should, or should not, attract unidentified gas costs.

Views are welcome on the attribution of unidentified gas costs under these modifications to NTS direct-connected sites.

Members accepted the recommendations in the Workgroup Report:

- 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;
- Consultation should close on 13 November 2014; and
- To consider the Final Modification Report at short notice at the November Panel meeting.

c) Modification 0493 - EU Gas Balancing Code - Daily Nominations at Interconnection Points (IP)

RH provided background information on the proposed approach to the provision of European modification Legal text and the introduction of the European Interconnector Document, which is a new binder within the UNC that is solely related to interconnection points.

Members accepted the recommendations in the Workgroup Report:

- 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 should close on 06 November 2014.

Consideration of Workgroup Reporting Dates and Legal Text Requests:

Members determined unanimously to extend the following Workgroup reporting dates:

Workgroup	Reporting Date
0498 - Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point	May 2015
0502 - Amendment to Gas Quality NTS Entry Specification at the px Teesside System Entry Point	May 2015
0505S - Update to UNC TPD Section G & M to correct anomalies arising from the implementation of UNC Modification 0463S	December 2014
0511 - Introduction of an Enduring Solution for managing Advanced Meters in central systems post Nexus	January 2015
0512S - Amendment to Section M to be consistent with Faster Switching proposals	December 2014

Members determined unanimously to request Legal text for the following modifications:

Modification
0469S - Transporter Gas Safety Visit Reporting

167.7 Consider Variation Requests

- a) Modification 0487S – Introduction of Advanced Meter Indicator and Advanced Meter Reader (AMR) Service Provider Identifier

SM presented the Variation Request, referring to a diagram provided to aid the understanding of the changes being proposed and their specific timings based on the Nexus implementation date.

SM confirmed that he was unconcerned should Panel wish to amend the Self-Governance status due to comments received from other industry participants. AT asked what is being proposed as an implementation date. SM advised that the earliest practicable date was needed based on the fact that the time to Nexus implementation is reducing the potential period of time benefits can be accrued. That said, they believe most of the value will support the contract changes and churn which arises around October in each year.

AM felt that Modification 0487 would have an additional positive impact, as it would facilitate data migration to the new regime at Nexus implementation.

RP asked if the modification is being proposed to continue post Nexus. SM confirmed this was the most appropriate way forward as it links transition between pre and post Nexus implementation and provides an enduring solution.

JF confirmed that the Legal text is currently under review, although the Variation Request is unlikely to change the Legal text as the modification is silent on the technical solution, as these aspects would be managed through UKLC and SPAA changes.

There was a general discussion on what is meant by “material” and a number of views were expressed.

Following discussion, Members unanimously determined that the Modification 0487S Variation Request is material.

Modification 0487S will therefore be deemed withdrawn and replaced by Modification 0487VS.

There was a discussion on the Self Governance status and RH challenged whether this was suitable when considering the changes to the modification were material in nature

For Modification 0487VS Members determined:

- The criteria for Self-Governance are met as this modification is not expected to have a material impact on competition or consumers;
- 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 should close on 06 November 2015.

167.8 Final Modification Reports

- a) Modification 0445 - Amendment to the arrangements for Daily Metered Supply Point Capacity

After considering Ofgem's request for an amended Final Modification Report; Members unanimously determined that the Final Modification Report should be updated to include the amended Legal text provided for this purpose, as the proposed amendments were not considered to material changes and that the amended Final Modification Report should be submitted to Ofgem.

See the Final Modification Report published at www.gasgovernance.co.uk/0445

- b) Modification 0497 - Removal of the CSEP NExA table held within Annex A part 8

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0497

Members determined, unanimously to recommend implementation of Modification 0497.

167.9 Any Other Business

None raised.

167.10 Conclude Meeting and Agree Date of Next Meeting

10:30 20 November 2014, at the ENA.