

**Record of Determinations: Panel Meeting 20 November 2014**

Modification	Vote Outcome						Transporter Voting Members					Consumer Member	Determination Sought	
		AG	AM	CH	PB	RF	CW	EM	JF	RP	RH	CA		
0501C - Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a capped capacity return option and an aggregate overrun regime	Not a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Is an alternative to Modification 0501 - with 8 votes in favour and 3 votes against	✓	✓	✓	✓	✓	X	✓	X	✓	X	✓	Should it be an Alternative to Modification 0501	
	Issued to Workgroup 0501 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0501 for assessment	
	Workgroup to report by the January 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the January 2015 Panel	
0518 - Enhancement to the Gas Safety (Installation & Use) Regulations process	Is a Self-Governance Modification - unanimous vote against	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy the Self-Governance criteria	
	Issued to Workgroup 0518S - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0518S for assessment	
	Workgroup to report by the June 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the June 2015 Panel	
0519 – Harmonisation of Reference Conditions at Interconnection Points	Not a Self-Governance Modification - with 3 votes in favour and 8 votes against	X	✓	X	X	X	✓	X	✓	X	X	X	Does Modification satisfy the Self-Governance criteria	
	Issued to Workgroup 0519 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0519 for assessment	
	Workgroup to report by the March 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the March 2015 Panel	
	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation	

0469S - Transporter Gas Safety Visit Reporting	Legal text not required - unanimous vote against	X	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	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 09 December - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consultation end on 09 December 2014 (<15 days)
0500 - EU Capacity Regulations - Capacity Allocation Mechanisms with Congestion Management Procedures	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	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	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 19 December - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consultation end on 19 December 2014 (>15 days)
0512S - Amendment to Section M to be consistent with Faster Switching proposals	Proceed to consultation - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	Should DMR be Issued to Consultation
	Workgroup to report by the December 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the December 2014 Panel
0514 - Extending the Daily Metered 'voluntary' service to Project Nexus Implementation Date plus six months	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	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	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 09 December - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consultation end on 09 December 2014 (<15 days)
0468 - Unique Property Reference Number (UPRN) Population by Gas Transporters	Workgroup to report by May 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to May 2015 Panel

0483 - Performance Assurance Framework Incentive Regime	Workgroup to report by April 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to April 2015 Panel
0506 - Gas Performance Assurance Framework and Governance Arrangements	Workgroup to report by April 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to April 2015 Panel
0479S - Inclusion of email as a valid UNC communication	Legal text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To request legal text
0515S - Resolution timescales for SRVs and USRVs following Project Nexus Implementation	Legal text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To request legal text
0466 - Daily Meter Reading Simplification (with improved within day data provision)	No new issues identified - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
0466A - Daily Meter Reading Simplification (with improved within day data provision)	New issues identified - unanimous vote for	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Did consultation raise new issues
	Issued to Workgroup 0466 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0466 for assessment
	Workgroup to report by the January 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the January 2015 Panel
0473 - Project Nexus – Allocation of Unidentified Gas	No new issues identified - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implementation recommended - with 8 votes in favour	✓		✓	✓		✓	✓	✓	✓	✓			Should Modification be implemented (only votes in favour recorded)
0473A - Project Nexus – Allocation of Unidentified Gas	No new issues identified - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implementation recommended - with 8 votes in favour		✓			✓	✓	✓	✓	✓	✓		✓	Should Modification be implemented (only votes in favour recorded)
	Prefer 0473 - 3 votes in favour	✓		✓	✓									
	Prefer 0473A - 7 votes in favour		✓			✓		✓	✓	✓	✓		✓	

0487VS – Introduction of Advanced Meter Indicator and Advanced Meter Reader (AMR) Service Provider Identifier	No new issues identified - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Is not a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Implementation recommended - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be implemented (only votes in favour recorded)
0493 - EU Gas Balancing Code - Daily Nominations at Interconnection Points (IP)	No new issues identified - 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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 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 168<sup>th</sup> Meeting held on Thursday 20 November 2014 at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF**

**Attendees**

**Voting Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representative</b>
A Green (AG), Total A Margan (AM), British Gas C Hill (CH), Cooperative Energy P Broom (PB), GDF Suez R Fairholme (RF), 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	C Alexander (CA), Citizens Advice

**Non-Voting Members:**

<b>Chairman</b>	<b>Ofgem Representative</b>
L Jenkins (LJ), Joint Office	A Rooney (ARo), Ofgem

**Also in Attendance:**

A Clasper (AC), National Grid Distribution; A Corkhill\* (AC), ENI; A Shrigley\* (AS) ENI; F Cottam (FC), Xoserve; G Evans\* (GE), WatersWye; H Chapman (HC), Xoserve; K Elliott-Smith (KES), Cornwall Energy; R Fletcher (RF), Secretary; R Johnson (RJ), Wingas and S Witter (SW) ENI

\* by teleconference

## Record of Discussions

### 168.1 Note of any alternates attending meeting

E Melen for A Musgrave (Scotia Gas Networks)

R Pomroy for S Edwards (Wales & West Utilities)

### 168.2 Record of Apologies for absence

A Musgrave and S Edwards.

### 168.3 Minutes and Actions of the Last Meeting(s)

Members approved the minutes from the 16 October meeting.

### 168.4 Consider Urgent Modifications

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

LJ explained the process for Urgent modifications, where Ofgem have given an implementation decision. The topic of the Urgent modification can be issued to a Workgroup for further consideration.

CW requested that consideration is given to the process for varying Urgent modifications once they have been issued to consultation, as the Modification Rules are unclear on the process to be followed.

PB asked how Ofgem anticipated the process of monitoring industry readiness is to be achieved once the process in Modification 0513 concludes? AR noted that there are already obligations on industry parties to cooperate with industry developments and so there shouldn't be a need for further amendments to the UNC.

LJ asked should Project Nexus workgroup consider the process for industry readiness and go live assurance for UK Link systems?

CW felt it should sit with implementation forums such as UK Link Industry Engagement Forum (UKLIEF) or UK Link Committee (UKLC).

AM raised a concern that there is no similar process for iGTs and urged Ofgem to consider how they should be involved in the process going forward.

Members determined that:

- the variation process for Urgent modifications where they have been issued to consultation should be reviewed by the Governance Workgroup with a report presented by the April Panel.
- to request the UKLC to engage with the UKLIEF to consider how to manage industry readiness and go-live assurance for the implementation for Project Nexus.

## 168.5 Consider New Non-Urgent Modifications

- a) Modification 0501C - Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations, including a capped capacity return option and an aggregate overrun regime

SW introduced the modification and its aims. RH questioned why the modification had taken so long to be raised when this issue was first discussed in February 2014. SW advised that the full impacts were not understood until the full package of industry change was identified.

RH was concerned that the development time proposed was too short to consider the full impacts of the modification and asked whether the proposer would consider separating the modification into what could be delivered by October 2015 and what required a longer development period. SW was not sure what other details were needed as the solution was considered uncomplicated, however they recognised there were system impacts but they did not know the scale of these.

JF asked if it would be possible to consider flexibility options through a stand-alone modification rather than coupled as an alternative to 0501, this would help to reduce the risk of non-compliance. SW wanted to see the solution proposed tested with all the issues identified and discussed before taking this choice.

RH was concerned that the other 0501 Modifications were fully developed and the report ready for consultation. AR confirmed that Ofgem would like to see all the issues set out if possible but the modification process must be concluded no later than the March Panel. Panel members noted that this meant that the Workgroup Report should be presented no later than the January meeting and asked if the Proposers believed they could resource the necessary development work in this time. SW confirmed that they understood the commitment and would work with National Grid NTS to ensure that 0501C was fully developed to meet the target.

PB asked if this is likely to be the last alternate. LJ explained that the process of returning modifications to Workgroup allows the opportunity for others to raise alternative modifications.

For Modification 0501C, Members determined:

- 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;
- Is an alternative to Modification 0501; and
- That modification 0501C be issued to Workgroup 0501 for assessment with a report presented by the January 2015 Panel.

- b) Modification 0518 - Enhancement to the Gas Safety (Installation & Use) Regulations process

EM introduced the modification and its aims.

CW would like to see the solution clarify that the meter should be defined as being connected and capable of offtaking gas and not as being on site.

JF would like to see the title changed to clearly identify that this modification is not codifying Supplier obligations set out in the Gas Safety (Installation & Use) Regulation (GSI&UR) obligations. EM clarified that there would be no references to the GSI&UR in the solution or legal text.

CA would like to be clear on how consumers would be involved in the proposed arrangements.

Questions for Workgroup consideration:

Clarify the end customer interactions.

For Modification 0518, Members determined:

- The criteria for Self-Governance are met as this modification is not expected to have a material impact on competition or consumers;
- That modification 0518S be issued to Workgroup 0518S for assessment with a report presented by the June 2015 Panel.

c) Modification 0519 – Harmonisation of Reference Conditions at Interconnection Points

RH introduced the modification and its aims. PB asked if this is a paper exercise to confirm that the system is still reflective of actual conditions. LJ confirmed that this adjustment exists currently and this modification codifies the process.

CW challenged the view on Self-Governance and whether it did have a material impact.

Questions for Workgroup consideration:

Review the appropriateness of the Self Governance Status of this modification.

For Modification 0519, Members determined:

- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes;
- That Modification 0519 be issued to Workgroup 0519 for assessment with a report presented by the March 2015 Panel.

## **168.6 Existing Modification Proposals for Reconsideration**

a) Modification 0452V - Introduction of the Planning and Advanced Reservation of Capacity Agreement (PARCA)

AR advised that both Modifications 0452V and 0465V are part of wider consultation on licence changes, which closes in November. The consultation is presenting Ofgem's minded to accept position for these

modifications and seeking views that would challenge this decision. The aim is to provide a decision on these modifications prior to Christmas.

LJ noted that there is an informal consultation ending in December on the permit arrangements, which address the current arrangements impacted by these modifications.

Members unanimously agreed to defer consideration to the December Panel.

- b) Modification 0465V - Introduction of the Planning and Advanced Reservation of Capacity Agreement (PARCA), Weighted Average PARCA Security

See discussion for Modification 0452V above.

Members unanimously agreed to defer consideration to the December Panel.

- c) Modification 0440 – Project Nexus – iGT Single Service Provision

AR advised that the intention is to consider this modification at the same time as the iGT equivalent Modification iGT039. It is anticipated that iGT039 should be issued to consultation soon along with a consultation on the proposed iGT licence changes.

Members unanimously agreed to defer consideration to the December Panel.

## **168.7 Consider Workgroup Issues**

### **Workgroup Reports for Consideration**

- a) Issue Report 0451AV - Individual Settlements For Pre-Payment & Smart Meters

FC provided an overview of the DESC report and the proposed implementation of the Prepayment Meter Profile.

PB asked if the actual meter reads were provided or was it based on top up frequencies, which may be different where consumers are budgeting to a fixed amount of money. FC advised that the data provided for the profiles was based on the meter reading taken when the top up was loaded but looking for sites with at least 50 reads over the year. It was noted that the billing systems is currently being developed with implementation likely to be early in quarter 1, 2015.

Members accepted the recommendations DESC report. LJ advised members that this was the third and final component of Panel's questions following the Ofgem decision letter for 0451AV and this issue has now been closed.

- b) Modification 0469S - Transporter Gas Safety Visit Reporting

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Further 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 09 December 2014.

c) Modification 0500 - EU Capacity Regulations - Capacity Allocation Mechanisms with Congestion Management Procedures

Panel Members expressed their thanks to the Workgroup for the prompt development of the Workgroup report.

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Further 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 be extended to close on 19 December 2014.

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

This item was omitted given that 0501C (above) had been added as an Alternative.

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e) Modification 0512S - Amendment to Section M to be consistent with Faster Switching proposals

RH highlighted a discrepancy between the Solution and the Legal text which should be amended so the intent of the modification is clear.

Members deferred consideration of the Workgroup Report pending:

- That Modification 0512S be issued to Workgroup 0512S for further assessment with a report presented by the December 2014 Panel.

f) Modification 0514 - Extending the Daily Metered 'voluntary' service to Project Nexus Implementation Date plus six months

Legal Text was requested by Panel. CW confirmed that the Legal Text provided should be considered the final Legal Text, suitable for inclusion in the Draft Modification Report.

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Further 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 09 December 2014.

**Consideration of Workgroup Reporting Dates and Legal Text Requests:**

Members determined unanimously to extend the following Workgroup reporting dates:

<b>Workgroup</b>	<b>Reporting Date</b>
<p>0468 - Unique Property Reference Number (UPRN) Population by Gas Transporters</p> <p>JF questioned if this modification should be withdrawn by the proposer and re-raised when further clarity is available on the general adoption of the UPRN by the industry.</p> <p>RF would prefer to see the Workgroup reporting date extended so that options could be considered going forward and to prompt discussion on its likely development.</p>	May 2015
<p>0479 - Inclusion of email as a valid UNC communication'</p> <p>JF confirmed her concerns that the alternative modification is not progressing as quickly as it should due to complexity of the proposed governance arrangements.</p> <p>The proposer was requested to consider decoupling the governance aspects of 0479A so that these modifications can progress quickly.</p>	December 2014
0483 - Performance Assurance Framework Incentive Regime	April 2015
0506 - Gas Performance Assurance Framework and Governance Arrangements	April 2015

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

<b>Modification</b>
0479S - Inclusion of email as a valid UNC communication'
0515S - Resolution timescales for SRVs and USRVs following Project Nexus Implementation

## 168.8 Final Modification Reports

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

RH was concerned that Modification 0466A requires NTS telemetered sites to use IX equipment to provide within Day reads, which is a significant change to their process. RJ advised that Modification 0466A suggests that IX is used, it does not mandate its use - the delivery solution should be down to transporters to provide.

RH is concerned that the Legal Text requires this option and NTS will be required to duplicate its process for communications. He explained that any NTS directly connected site can request within Day read information through their Network Exit Arrangements (NExA) provisions.

GE confirmed that the aim of the modification is to ensure Shippers can meet their licence requirements for the provision of within Day reads, so this would imply that they would need to include NTS sites due to the definition of daily read site.

CW clarified that Telemetry Equipment falls outside the scope of Daily Read Equipment as set out in TPD M 4.1. However, RH was still concerned as this conflicts with TPD M 4.9 Telemetry equipment definition.

Members then determined that:

- Modifications 0466/0466A be issued to Workgroup 0466 for further assessment with a report presented by the January 2015 Panel.

**POST MEETING NOTE:** The vote on the implementation of Modification 0466 has been recorded, however it is to be carried over until the Workgroup has given further consideration to Modification 0466A.

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

RF challenged the relevance of the Panel discussion as it was not referenced against the relevant objectives and should it be in future. LJ explained that there was only one relevant objective considered for these modifications, so the Panel discussion should be construed that way.

GE advised that the current draft AUG Table proposes an element of unallocated gas to daily read sites and this has influenced a number of representations. However, the AUGE has clarified to him that this is likely to be removed from the next version of the table, as it is not considered material. AM was unsure if this information should be relied on as the AUGE had still to provide the amended table and it was still subject to amendment.

JF referenced the Northern Gas Networks report on the provision of Legal Text, explaining that the text was difficult to develop in the timescales proposed due to the limited development of Modification 0473A business rules.

AM raised a concern about the table listed in E1 in the Legal Text, being different to that in the solution for both modifications. JF advised that the

commentary.

Members determined by majority vote to recommend implementation of Modification 0473.

Members determined by majority vote to recommend implementation of Modification 0473A.

Members also considered that proposed Modification 0473A better facilitates the Relevant Objectives than proposed Modification 0473

For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0473](http://www.gasgovernance.co.uk/0473)

- c) Modification 0487VS - Introduction of an Advanced Meter Reader (AMR) Service Provider (ASP) Identifier (ASP ID) and Advanced Meter Indicator

Members considered the issues raised in consultation and, particularly, whether this modification still met the Self-Governance criteria.

Members determined unanimously that the criteria for Self-Governance are not met as this modification is expected to have a material impact on commercial activities of Shippers.

Members determined unanimously to recommend implementation of Modification 0487V.

For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0487](http://www.gasgovernance.co.uk/0487)

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

AR explained that Ofgem may delay making a decision on this modification until the other European related modifications were available for decision to ensure common issues were considered at the same time.

Members determined unanimously to recommend implementation of Modification 0493.

For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0493](http://www.gasgovernance.co.uk/0493)

## **168.9 Any Other Business**

- a) Modification 0507 - Changing The Effective Date of 0451AV (Individual Settlements For Pre-Payment & Smart Meters) – Paragraph numbering in TD 11C – Transitional Rules

LJ explained that there was a numbering issue with the paragraph in the Legal Text approved for implementation. Members agreed the numbering should be amended to reflect the transition rules existing numbering.

b) New Modification – Updated Template for Approval

LJ explained the proposed amendments to the Modification templates, which had been agreed by the Governance Workgroup, and asked for Panel views on their adoption.

RH suggested expanding any acronyms such as SCR and Members supported this. RH also suggested including other impacts or impacted parties. LJ advised that a process check list is to be included within the Workgroup process which should help to manage this issue.

**168.10 Conclude Meeting and Agree Date of Next Meeting**

10:30 18 December 2014, at the ENA.