

Record of Determinations: Panel Meeting 19 March 2015

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Member	Chair (Casting Vote)	Determination Sought	
		AG	AM	SM	PB	CB	CW	EM	JF	FH	RP	CA	AP		
0532 - Implementation of Non Effective Days (Project Nexus transitional modification)	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
	Issued to Workgroup 0532 with a report presented by the June 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Issue to Workgroup 0532 with a report presented by the June 2015 Panel
0533 - Corrections to Network Entry Provisions in the National Grid NTS-BBL Interconnection Agreement	Is a Self-Governance Modification - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Does Modification satisfy the Self-Governance criteria
	Not to proceed to Consultation - one vote in favour and 10 votes against	X	X	X	X	X	X	X	X	X	✓	X	X		Should Modification 0533S be issued to Consultation
	Issued to Workgroup 0533S with a report presented by the May 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Issue to Workgroup 0533S with a report presented by the May 2015 Panel
0534 - Maintaining the efficacy of the NTS Optional Commodity ('shorthaul') tariff at Bacton entry points	Is a Self-Governance Modification - with 6 votes in favour and 5 votes against	NV	✓	✓	✓	X	✓	X	X	X	X	✓	✓	Does Modification satisfy the Self-Governance criteria	
	Issued to Workgroup 0534S with a report presented by the June 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Issue to Workgroup 0534S with a report presented by the June 2015 Panel
0535 - Implementation of Non Effective Days to enable Annual AQ Review (independent of Nexus transition)	Not a Self-Governance Modification - one vote in favour and 10 votes against	X	✓	X	X	X	X	X	X	X	X	X	X		Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0535 with a report presented by the May 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Issue to Workgroup 0535 with a report presented by the May 2015 Panel
	Proceed to Consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Should DMR be Issued to Consultation

0510 – Reform of Gas Allocation Regime at GB Interconnection Points	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 24 April 2015 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Should Consultation end on 24 April 2015
0516 – Information provision by large customers to aid understanding of site characteristics	Is a Self-Governance Modification - 7 votes in favour and 4 votes against	X	X	X	✓	✓	✓	✓	✓	✓	✓	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	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 24 April 2015 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Should Consultation end on 24 April 2015
0519 – Harmonisation of Reference Conditions at Interconnection Points	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 24 April 2015 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Should Consultation end on 24 April 2015

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

UNC Modification Panel

Minutes of the 173rd Meeting held on Thursday 19 March 2015 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 (AM), British Gas P Broom (PB), GDF Suez C Baldwin (CB), E.ON UK S Mulinganie (SM), Gazprom*	C Warner (CW), National Grid Distribution E Melen (EM), Scotia Gas Networks J Ferguson (JF), Northern Gas Networks R Pomroy (RP), Wales & West Utilities F Healy (FH), National Grid NTS	C Alexander (CA), Citizens Advice

Non-Voting Members:

Chairman	Ofgem Representative
A Plant (AP), Chair	A Rooney (ARo), Ofgem

Also in Attendance:

A Clasper (AC), National Grid Distribution; D Addison (DA), Xoserve*; F Goncalves (FG), Gazprom*; H Chapman (HC), Xoserve; K Elliott-Smith (KES), Cornwall Energy; K Visgarda (KV), Joint Office; L Dupont (LD), Secretary; L Jenkins (LJ), Joint Office and M Lyndon (ML), National Grid NTS*.

* by *teleconference*

Record of Discussions

173.1 Note of any alternates attending meeting

R Pomroy for S Edwards (Wales & West Utilities)

C Baldwin for R Fairholme (E.ON)

173.2 Record of Apologies for absence

S Edwards and R Fairholme

173.3 Minutes and Actions of the Last Meeting(s)

Members approved the minutes from the previous meeting (19 February 2015).

173.4 Consider New Non-Urgent Modifications

- a) Modification 0532 – Implementation of Non Effective Days (Project Nexus transitional modification)

CW introduced the modification and its aims. PB asked how many days were needed and when the non-effective days would be known. DA indicated this information would most likely be available shortly after the first Workgroup meeting, and stressed that Xoserve was keen that parties receive as much notice as possible. SM asked if there was any overlap/interaction with Modification 0535. DA confirmed that under Modification 0532 the non-effective days would be in advance of 01 October. It was likely that Modification 0532 would overarch Modification 0535 (common non-effective days). The requirements for non-effective days under Modification 0535 will be less onerous than under Modification 0532. Modification 0535 was likely to be superseded by Modification 0532.

For Modification 0532, Members determined:

- The criteria for Self-Governance are not met by this modification as it is expected to have a material impact on existing and new gas consumers and 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. This is because the potential consequences of the implementation of non-effective days are that the transfer of Shipper User registration timescales would be longer than normal;
- That Modification 0532 is issued to Workgroup 0532 for assessment, with a report to be presented no later than the June 2015 Panel.

- b) Modification 0533 – Corrections to Network Entry Provisions in the National Grid NTS-BBL Interconnection Agreement

ML introduced the modification and its aims. Responding to a question from RP, FH confirmed that the UNC Modification process was the

accepted best practice route to make all parties aware that corrections were being proposed. CB and SM noted that this modification is linked to proposed changes to gas quality specifications, and as a matter of principle felt that no changes should be made without the opportunity to consider any potential impacts through a Workgroup. It was acknowledged that this modification was simply a redrafting to provide clarity and to correct a previous error. However, CB and SM felt that this modification should first be assessed through the Workgroup process rather than be issued directly to consultation. PB agreed with that view.

For Modification 0533, Members determined:

- The criteria for Self-Governance are met as implementation of this modification would not unduly discriminate between different classes of UNC parties or have a material effect on existing or future gas customers, competition, operation of the pipeline system(s), matters relating to sustainable development, safety or security of supply, or the management of the market or network emergencies;
- That Modification 0533S is issued to Workgroup 0533S for assessment, with a report to be presented no later than the May 2015 Panel.

c) Modification 0534 – Maintaining the efficacy of the NTS Optional Commodity ('shorthaul') tariff at Bacton entry points

FG introduced the modification and its aims. HC asked how this might affect the system solution for CAM delivery for Modification 0500. FH indicated that this was as yet unknown and that a ROM would be raised. National Grid had certain concerns and these would be raised at Workgroup level. PB emphasised the need to hold firm to the commercial rules, and observed there may be unintended consequences in the charging process.

For Modification 0534, having reached a split vote position and following a casting vote by the Chair, Members determined that:

- The criteria for Self-Governance are met as implementation of this modification would not unduly discriminate between different classes of UNC parties or have a material effect on existing or future gas customers, competition, operation of the pipeline system(s), matters relating to sustainable development, safety or security of supply, or the management of the market or network emergencies;
- That Modification 0534 is issued to Workgroup 0534S for assessment, with a report to be presented no later than the June 2015 Panel.

The Panel requested that the Workgroup also consider the following when assessing the modification:

- Can the proposal be implemented as requested with an 'offline fix' or a later reconciliation, or will a full systems solution be required?

d) Modification 0535 – Implementation of Non Effective Days to enable Annual AQ Review (independent of Nexus transition)

DA introduced the modification and its aims. PB questioned if the problem to be addressed was specific to the year (2015) or would be an ongoing issue in its effects. DA confirmed that it was specific to this year (AQ 2015). LJ noted it was therefore a transition modification. CA asked if there would be impacts on consumers if extending the days. DA did not expect consumers to notice any difference.

Noting the interfaces, SM suggested that it would be sensible for a Workgroup to address Modifications 0532 and 0535 in tandem.

CW confirmed that in the event that Nexus was delayed this modification would still be required; these days would be needed to process AQ 2015.

FH queried if there would be impacts on the Gemini Energy balancing process if this modification was not implemented. DA confirmed that these non-effective days were being asked for so there would be no discrepancies between systems.

For Modification 0535, Members determined:

- The criteria for Self-Governance are not met as this modification may have a material impact on existing and new gas consumers and competition. This is due to the implementation on the non-effective days extending the transfer of Shipper User registration;
- That Modification 0535 is issued to Workgroup 0535 for assessment, with a report to be presented no later than the May 2015 Panel.

The Panel requested that the Workgroup also consider the following when assessing the modification:

- Would extending the non-effective days produce any impacts on consumers?
- That the interface between Modifications 0532 and 0535 be addressed in tandem.

173.5 Existing Modification Proposals for Reconsideration

- a) Modification 0473/0473A – Project Nexus - Allocation of Unidentified Gas
AR advised that Ofgem anticipated issuing a decision prior to Easter 2015.
- b) Modification 0493 - EU Gas Balancing Code - Daily Nominations at Interconnection Points (IP)
AR advised that Licence changes relating to the Bacton split would be coming into effect on 08 April 2015, and that this was the first possible date for any decision.

173.6 Consider Workgroup Issues

Workgroup Reports for Consideration

- a) Modification 0510 – Reform of Gas Allocation Regime at GB Interconnection Points

Members accepted the recommendations within the Workgroup Report.

Members then determined that:

- 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 24 April 2015.

b) Modification 0516 – Information provision by large customers to aid understanding of site characteristics

The Panel reconsidered the governance status of this modification (currently designated as not being self-governance). Disparate views were expressed. EM clarified that, in the event of a gas emergency, the Transporter's Safety Case obligations would always take precedence.

For Modification 0516 Members agreed to a change in governance status, determining by a majority vote that:

- The criteria for Self-Governance are met as self-governance as implementation of this modification would not unduly discriminate between different classes of UNC parties or have a material effect on existing or future gas customers, competition, operation of the pipeline system(s), matters relating to sustainable development, safety or security of supply, or the management of the market or network emergencies.

Members accepted the recommendations within the Workgroup Report.

Members then determined that Modification 0516S:

- 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 24 April 2015.

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

Members accepted the recommendations within the Workgroup Report.

Members then determined that Modification 0519:

- 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 24 April 2015.

AR then reported that her colleague D McCrone had since reviewed this Modification 0519 and was of the belief that it may now satisfy the criteria for self-governance. The Panel agreed to seek industry views on the governance status of this modification through the consultation.

Consideration of Workgroup Reporting Dates and Legal Text Requests:

Members determined unanimously to extend the following Workgroup reporting dates:

Workgroup	Reporting Date
<i>None put forward for consideration this month</i>	-

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

Modification
<i>No requests made this month</i>

173.6 Any Other Business

- a) Code Administration Code of Practice (CACoP) – v3.1 approved

LJ advised that this had been provided for information.

- b) Code Administration Code of Practice (CACoP) – new Principle 13

LJ drew attention to proposed new “Principle 13: Code Administrators will ensure cross Code coordination to progress changes efficiently where modifications impact multiple Codes”. It was unclear as yet how this might operate. Members offered no further views at this time.

- c) European Workgroup – Agreement to close

Observing that the work required in respect of EU reform was now decreasing, LJ had proposed that the European and Transmission Workgroups revert to one Workgroup, i.e. the UNC Transmission Workgroup. It was agreed a single Workgroup meeting approach should be reinstated going forward, and that the European Workgroup should be closed.

Members gave their agreement to the formal closure of the European Workgroup.

All outstanding business from the European Workgroup will be transferred to the responsibility of the UNC Transmission Workgroup, in which forum any further European related business will be managed.

d) Ofgem Workplan - CMA Paper

Referring to the CMA paper, AR reported that Ofgem would be actively engaging, and publishing an open letter (after Easter) in respect of high level for proposals for change relating to Code governance.

173.7 Conclude Meeting and Agree Date of Next Meeting

10:30, Thursday 16 April 2015, at the ENA.

Noting that next month's business may be light, the Panel agreed that if appropriate, this meeting might be held via teleconference. LJ will confirm arrangements by email.