

**Record of Determinations: Panel Meeting 15 October 2015**

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Determination Sought
		AG	AM	PB (AG)	RF	SM	CW	DM	FH	JF	RP	
0520A - Performance Assurance Reporting	Is not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Modification is an alternate to 0520 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Is Modification an alternate to 0520
	Issued to Workgroup 0520 with a report presented by the December 2015 Panel - <i>with a unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup 0520 with a report presented by the December 2015 Panel
0557 - Notice Period for Changes to Transportation Charges resulting from Uncertain costs allowed expenditure - financial adjustments	Consideration deferred to the November meeting - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration
0558 - Standardisation of Industry Payment Terms	Consideration deferred to the November meeting - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration
0559 - Correction of a minor legal text reference related to Information Provision changes	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy the Self-Governance criteria
	Is a Fast Track Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy the fast Track Criteria
	Implemented - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be implemented (only votes in favour recorded)

0560 - Addressing under-allocation of flows from BBL arising from misalignment of reference conditions	Modification should follow Urgent procedures - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should modification follow Urgent procedures
	Is not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0560 with a report presented by the February 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup 0560 with a report presented by the February 2016 Panel
0561 - Amendment to the oxygen limit within the BBL / NTS Interconnection Agreement	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy the Self-Governance criteria
	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 05 November 2015 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Consultation end on 05 November 2015
0562 - Amendment to the Effective Date of Modification 0519 'Harmonisation of Reference Conditions at Interconnection Points'	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy the Self-Governance criteria
	Is a Fast Track Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy the fast Track Criteria
	Implemented - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be implemented (only votes in favour recorded)
	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation

0506 0506A - Gas Performance Assurance Framework and Governance Arrangements	Legal text not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 12 November 2015 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Consultation end on 12 November 2015
0551 - Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 05 November 2015 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Consultation end on 05 November 2015
0553 - Removal of National Grid LNG Storage UNC TPD Section Z obligations and associated cross references	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 05 November 2015 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Consultation end on 05 November 2015
0531 - Provision and Development of Industry Testing Prior to Nexus Go-live	Workgroup to report by February 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to February 2016 Panel

0532 - Implementation of Non Effective Days (Project Nexus transitional modification)	Workgroup to report by December 2015 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to December 2015 Panel
0541 0541A 0541B - Removal of uncontrollable UNC charges at ASEPs which include sub-terminals operating on a 06:00 - 06:00 Gas Day	Workgroup to report by February 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to February 2016 Panel
0539 - Removal of NTS Exit Commodity Charges for Distributed Gas	Is not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	No new issues identified - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implementation not recommended - <i>with 3 votes in favour</i>	✓		✓		✓							Should Modification be implemented (only votes in favour recorded)
0545S - Changes to GDN MOD186 Publication dates	No new issues identified - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implemented - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	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 182<sup>nd</sup> Meeting held on Thursday 15 October 2015 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 and alternate for P Broom A Margan (AM), British Gas R Fairholme (RF), E.ON UK S Mulinganie (SM), Gazprom	C Warner (CW), National Grid Distribution D Mitchell (DM), Scotia Gas Networks F Healy (FH), National Grid NTS J Ferguson (JF), Northern Gas Networks R Pomroy (RP), Wales & West Utilities	

**Non-Voting Members:**

<b>Chairman</b>	<b>Ofgem Representative</b>
A Plant (AP), Chair	R Elliott (JT)

**Also in Attendance:**

C Baldwin\* (CB), E.ON UK; H Chapman (HC), Xoserve; K Elliott-Smith (KES), Cornwall Energy; L Jenkins (LJ), Joint Office; R Fletcher (RF), Secretary and S Ellwood (SE), TPA Solutions.

\* *via teleconference*

## **Record of Discussions**

### **182.1 Note of any alternates attending meeting**

A Green for P Broom (GDF Suez)

D Mitchell for E Melen (Scotia Gas Networks)

### **182.2 Record of Apologies for absence**

C Alexander, E Melen and P Broom

### **182.3 Minutes and Actions of the Last Meeting(s)-**

Members approved the minutes from the previous meeting (17 September 2015).

### **182.4 Consider Urgent Modifications**

None.

### **182.5 Consider New Non-Urgent Modifications**

#### **a) Modification 0520A - Performance Assurance Reporting**

CB introduced the modification and explained the reasons why it should be considered as an alternate to Modification 0520 and therefore sent to the same Workgroup for assessment.

For Modification 0520A, Members determined:

- The criteria for Self-Governance are not met as this modification is expected to have a material impact on transportation and competition;
- That Modification 0520A is issued to Workgroup 0520 for assessment, with a report to be presented no later than the December 2015 Panel.

#### **b) Modification 0557 - Notice Period for Changes to Transportation Charges resulting from Uncertain costs allowed expenditure - financial adjustments**

AP explained that the Panel Secretary had written to Ofgem requesting a view as to whether Modification 0557 could be implemented, as it might conflict with Transporters' licence conditions for the notification and recovery of charges. He summarised that Ofgem's response letter advised that Modification 0557 could not be implemented due to conflicts with the Transporter licence.

CB advised that she had not yet had sufficient time to consider the letter and the impacts on the modification. She therefore requested that consideration be deferred to the next meeting.

For Modification 0557, Members determined:

- To defer consideration until the November Panel.

c) Modification 0558 - Standardisation of Industry Payment Terms

AP advised that the proposer had requested Panel consideration be deferred to the November meeting as they were still considering the comments received at the last meeting.

For Modification 0558, Members determined:

- To defer consideration until the November Panel.

d) Modification 0559 - Correction of a minor legal text reference related to Information Provision changes

FH introduced the modification and its aims.

For Modification 0559, Members determined:

- The criteria for Self-Governance are met as this modification is not expected to have a material impact on transportation, competition or consumers;
- The criteria for Fast Track Self-Governance are met as this modification is properly a housekeeping modification; and
- That Modification 0559FT should be implemented.

e) Modification 0560 - Addressing under-allocation of flows from BBL arising from misalignment of reference conditions

SE introduced the modification, explaining that due to the time constraints created by BBL implementing amended reference conditions from 1<sup>st</sup> October this year, Gas Terra were requesting Urgency in an attempt to reduce the period of retrospective reconciliation should this modification be implemented.

LJ asked how the modification was to demonstrate a benefit or that it is required given there is no compulsion on National Grid NTS to comply with the relevant European regulations until May 2016.

RP challenged the materiality of the impact. The effect was just 0.1% of throughput or £700k in cash terms. Could this set a precedent for future Urgent modifications? SE explained that whilst the impact of one or a few days would be immaterial, the cumulative impact of operating different reference conditions for a number of months would be significant in cash terms, and more difficult to put right through retrospective application, and was therefore in her view material to specific parties and could support a case for Urgency.

For Modification 0560, Members determined:

- To recommend the modification should follow Urgent procedures;

*Note: without prejudice to the Authority's decision on Urgency and to ensure there is no delay to the process should Urgent procedures be declined, Members provided the following determinations:*

- The criteria for Self-Governance are not met as this modification is expected to have a material impact on transportation and competition;
- That Modification 0560 is issued to Workgroup 0560 for assessment, with a report to be presented no later than the February 2016 Panel.

f) Modification 0561 - Amendment to the oxygen limit within the BBL / NTS Interconnection Agreement

FH introduced the modification and its aims. RE advised that this impact has been understood since July 2014 when Dutch Law changed. It was not clear why this had not been actioned earlier. RE confirmed that the Authority consider self-governance suitable for this modification. FH advised that the changes were being made in a sequential order to allow parties time to consider the impacts of each.

LJ advised that this modification had already been discussed at Workgroup and recommended that it should be issued to consultation, as there were no issues raised during the Workgroup discussion.

For Modification 0561, Members determined:

- The criteria for Self-Governance are met as this modification is not expected to have a material impact on transportation, competition and consumers;
- 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 05 November 2015.

g) Modification 0562 - Amendment to the Effective Date of Modification 0519 'Harmonisation of Reference Conditions at Interconnection Points'

FH introduced the modification and its aims.

For Modification 0562, Members determined:

- The criteria for Self-Governance are met as this modification is not expected to have a material impact on transportation, competition or consumers;
- The criteria for Fast Track Self-Governance are met as this modification is properly a housekeeping modification; and
- That Modification 0562FT should be implemented.

#### **182.6 Existing Modifications for Reconsideration**

None for discussion

#### **182.7 Consider Workgroup Issues**

None for discussion.

#### **182.8 Workgroup Reports for Consideration**

a) Modification 0506 0506A - Gas Performance Assurance Framework and Governance Arrangements

The Panel considered the Workgroup Report and Members accepted the recommendations.

Members then determined that Modification 0506 0506A:

- 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 12 November 2015 and the Final Modification Report be considered at short notice at the November Panel meeting.

- b) Modification 0551 - Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16

RE requested that the Final Modification Report should specify why the implementation should be from 01 October 2015 and not a later date, as this is a retrospective impact.

The Panel considered the Workgroup Report and Members accepted the recommendations.

Members then determined that Modification 0551:

- 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 05 November 2015.

- c) Modification 0553 - Removal of National Grid LNG Storage UNC TPD Section Z obligations and associated cross references

Members accepted the recommendation within the Workgroup Report.

Members reviewed and confirmed industry views on the self-governance status of this modification.

Members then determined that Modification 0553:

- 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 05 November 2015.

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

Members determined unanimously to extend the following Workgroup reporting date(s):

<b>Workgroup</b>	<b>New Reporting Date</b>
0531 - Provision and Development of Industry Testing Prior to Nexus Go-live	February 2016
0532 - Implementation of Non Effective Days (Project Nexus transitional modification)	December 2015

0541 0541A 0541B-Removal of uncontrollable UNC charges at ASEPs which include sub-terminals operating on a 06:00 - 06:00 Gas Day	February 2016
--	---------------

Members determined unanimously to request Legal text for the following modification(s):

<b>Modification</b>
None requested

### 182.9 Consideration of Variation Requests

None presented.

### 182.10 Final Modification Reports

- a) Modification 0539 - Removal of NTS Exit Commodity Charges for Distributed Gas

For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0539](http://www.gasgovernance.co.uk/0539).

Members determined by majority vote not to recommend implementation of Modification 0539.

- b) Modification 0545S - Changes to GDN MOD186 Publication dates

For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0545](http://www.gasgovernance.co.uk/0545).

Members determined unanimously to implement Modification 0552S.

### 182.11 Any Other Business

- a) Legal Text Guidance Document – approval of revised edition (to include definition of ‘in Code’ as per September meeting)

AP requested comments on the amendments agreed at the previous meeting. Members unanimously agreed with the changes proposed to the Legal Text Guidance Document.

b) Panel Guidance for New Modification Proposals

SM felt the document offered a reasonable approach although he would favour examples of what a “good modification” looks like as opposed to a poorly drafted modification.

HC suggested a focus on the requirements and then further development of the solution. HC agreed to produce some additional potential content for the guidance.

LJ asked Members to consider what the documents purpose is, it is a very high level overview should a new entrant or parties with limited knowledge want to submit a modification.

AM suggested that the aim should be to deliver high quality modifications and that modifications which fail to comply with the guidance should be sent back to Users. He also suggested more use of the issues process, which supports more open discussions at an earlier stage of development of an idea, which can then lead to modifications.

LJ explained the “Request” process and how this could be used rather than going straight to a proposed modification.

Members agreed to review the document at the next meeting.

**182.12 Conclusion of Meeting and agreed Date of Next Meeting**

10:30, Thursday 15 October 2015, at the ENA.