

**Record of Determinations: Panel Meeting 20 October 2016**

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Voting Member	Determination Sought
		AG	AL	GJ	RF	SM	CW	FH	DM	JF	RP	MW	
<b>0565A - Central Data Service Provider – General framework and obligations</b>	Not related to the Significant Code Review - <i>majority vote against</i>	X	X	X	X	X	X	X	X	X	X	NV	Is Modification related to Significant Code Review
	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
	Is an alternate to Modification 0565 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Is this proposal an alterante to Modification 0565
	Legal Text requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal Text
	Issued to Workgroup 0565 with a report presented by the November 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the November 2016 Panel
<b>0596 – Implementing CGR3 decisions on Significant Code Reviews and self-governance</b>	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review
	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
	Legal Text requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal Text
	Issued to Workgroup 0596 with a report presented by the December 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the December 2016 Panel

<b>0597 – Rules for the release of incremental capacity at Interconnection Points</b>	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review
	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
	Issued to Workgroup 0597 with a report presented by the January 2017 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the January 2017 Panel
<b>0598 – Amendments to Capacity Allocations Mechanisms to comply with EU Capacity Regulations</b>	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review
	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
	Issued to Workgroup 0598 with a report presented by the January 2017 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the January 2017 Panel
<b>0599 – Amendments to Capacity Allocations Mechanisms (Interruptible) to comply with EU Capacity Regulations</b>	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review
	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
	Issued to Workgroup 0599 with a report presented by the January 2017 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the January 2017 Panel
<b>0600 – Amend obligation for the acceptance</b>	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review
	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy the Self-Governance criteria

of EPDQD revisions made after D+5	Legal Text requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal Text
	Issued to Workgroup 0600S with a report presented by the November 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the November 2016 Panel
<b>0593 – Provision of access to data for Price Comparison Websites and Third Party Intermediaries</b>	Issued to Workgroup 0593 with a report presented by the December 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be returned to Workgroup with a report by the December 2016 Panel
<b>0595S - Amendment to the Arrangements between National Grid NTS and GNI at the Moffat IP to Provide for Interruption of Virtual Reverse Flow</b>	Proceed to Consultation with a close out date of 10 November 2016 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation with a close out date of 10 November 2016?
<b>0565 - Central Data Service Provider: General framework and obligations</b>	Legal Text requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal Text
<b>0587 – Seasonal Energy Balancing Credit Cover</b>	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 recommended - <i>with a 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 195<sup>th</sup> Meeting held on Thursday 20 October 2016**

**at Elexon, 350 Euston Road, London NW1 3AW**

**Attendees**

**Voting Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representative</b>
A Green (AG), Total A Love (AL), ScottishPower G Jack (GJ), British Gas R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom	C Warner (CW), National Grid Distribution F Healy (FH), National Grid NTS D Mitchell (DM), Scotia Gas Networks J Ferguson (JF), Northern Gas Networks R Pomroy (RP), Wales & West Utilities	M Wild (MW), Citizens Advice

**Non-Voting Members:**

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

**Also in Attendance:**

A Williams (AW), National Grid NTS; C Baldwin\* (CB), E.ON UK; L Jenkins (LJ), Deputy Chair; R Fletcher (RF), Secretary; R Hinsley (RH), Xoserve; S Britton (SB), Cornwall Energy and S Hilbourne (SH), Scotia Gas Networks.

\* via teleconference

## Record of Discussions

### 195.1 Note of any alternates attending meeting

David Mitchell for H Chapman (Scotia Gas Networks)  
Graham Jack for A Margan (British Gas)  
Morgan Wilde for S Moore (Citizens Advice)

### 195.2 Record of Apologies for absence

A Margan, H Chapman, S Moore

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

Members approved the minutes from the previous meeting (15 September 2016).

No outstanding actions to consider.

### 195.4 Consider Urgent Modifications

None.

### 195.5 Consider New Non-Urgent Modifications

a) Modification 0565A - Central Data Service Provider – General framework and obligations

CB introduced the modification and its aims, explaining the differences between this proposed alternate and Modification 0565.

DM asked what had changed during the development of Modification 0565 to require this alternate to be raised. CB advised that this alternate was more reflective of her concerns over the representation of parties at committees and due to the reluctance of the proposer of Modification 0565 to change their proposed approach, this alternative had been proposed.

For Modification 0556A, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on the contractual regime for the transportation of gas through pipes;
- That it is an alternative to Modification 0565;
- Request Legal Text; and
- That Modification 0556A be issued to Workgroup 0565 for assessment, with a report to be presented no later than the November 2016 Panel.

b) Modification 0596 - Implementing CGR3 decisions on Significant Code Reviews and self-governance

RP introduced the modification and its aims. He gave a brief overview of the proposed changes to the Modification Rules, he noted that there were arrangements for assessing green house gases but unsure as to how this would be undertaken.

LJ advised that there is a procedure for considering the green house gas impacts of a modification.

RP clarified that there are two versions of text, pre and post Nexus text. In addition, Modifications 0565/0565A propose to amend the Modification Rules, however, they do so in different sections but they will need to be mindful of each other should one be implemented ahead of the other.

AL raised a number of comments she had been party to at the Panel meeting of another Code. RE advised that these points would be addressed should those concerns be raised directly with Ofgem, however this proposal had been consulted upon during CGR3 and were not for further discussion or change in terms of the current requirements.

LJ confirmed that this modification simply proposes to change those aspects of the Modification Rules that are required by Licence changes and there was no intention to extend the scope beyond this.

AP noted that this modification would appear to be a material change if applying the current Self-Governance criteria, however he understood that Ofgem may have a different view? RE advised that Ofgem consider the modification should proceed under Self-Governance procedures as it was not a material change and that consultation had been undertaken as part of CG3.

JF was concerned that the Self-Governance criteria are reflected in transporters' licence and that they should not be considered lightly.

LJ reminded members that Ofgem could direct that that the modification follow Self-Governance and as such Panel would be required to make a decision. AP agreed but felt that the Panel's role is not to anticipate an Ofgem decision, but to consider the modification against the current criteria and take a view. This would still allow Ofgem to choose to make a direction if that was the view of the Authority.

AP asked if Panel felt that there was any conflict of interest and whether an alternate Code body should be requested to Chair the workgroup meetings. Members supported the current Code Administrator chairing the workgroup meetings.

RF asked if the current Ofgem right to block alternates being raised against Security of Supply modifications was being removed or replaced. LJ advised that the right will continue and is being extend to all Significant Code Review modifications.

For Modification 0596, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are met as this modification is not expected to have a material impact on competition;
- Request Legal Text; and

- That Modification 0596 be issued to Workgroup 0596 for assessment, with a report to be presented no later than the December 2016 Panel.

c) Modification 0597 - Rules for the release of incremental capacity at Interconnection Points

FH introduced the modification and its aims, providing a brief explanation behind the content of the supporting presentation.

LJ advised that at recent Transmission Workgroup meeting, it was agreed that this modification should proceed quickly as there is more certainty around the changes proposed by the EU Code changes.

For Modification 0597, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on the contractual regime for the transportation of gas through pipes;
- That Modification 0597 be issued to Workgroup 0597 for assessment, with a report to be presented no later than the January 2017 Panel.

d) Modification 0598 - Amendments to Capacity Allocations Mechanisms to comply with EU Capacity Regulations

FH introduced the modification and its aims, providing a brief explanation behind the content of the supporting presentation.

For Modification 0598, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on the contractual regime for the transportation of gas through pipes;
- That Modification 0598 be issued to Workgroup 0598 for assessment, with a report to be presented no later than the January 2017 Panel.

e) Modification 0599 - Amendments to Capacity Allocations Mechanisms (Interruptible) to comply with EU Capacity Regulations

FH introduced the modification and its aims, providing a brief explanation behind the content of the supporting presentation. He explained that there may be some contentious elements to this modification and that these would need to be discussed at workgroup. As with Modifications 0597 and 0598, there may need to be changes due to the recent revisions to CAM.

For Modification 0599, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on the contractual regime for the transportation of gas through pipes;

- That Modification 0599 be issued to Workgroup 0599 for assessment, with a report to be presented no later than the January 2017 Panel.

f) Modification 0600 - Amend obligation for the acceptance of EPDQD revisions made after D+5

AW introduced the modification and its aims, providing a brief explanation behind the content of the supporting presentation.

RP asked if extending D+5 to D+7 creates any additional problems. AW advised that it wouldn't impact any other parties.

AL asked how the information would be published.. AW advised there is a reporting template set out in the modification appendices.

GJ suggested that any change needs to be proportional to the problems and risk being addressed by the modification. AW felt this was the case, although this could be considered further within the workgroup.

For Modification 0600, Members determined:

- It is not related to the Significant Code Review;
- The criteria for Self-Governance are met as this modification is not expected to have a material impact on competition;
- That Modification 0600S be issued to Workgroup 0600 for assessment, with a report to be presented no later than the November 2016 Panel.

#### **195.6 Existing Modifications for Reconsideration**

None.

#### **195.7 Consider Workgroup Issues**

None.

#### **195.8 Workgroup Reports for Consideration**

a) Modification 0593 – Provision of access to data for Price Comparison Websites and Third Party Intermediaries

JF explained that the CMA had recently published changes to the proposed definitions for PCWs and TPIs and felt that this coupled with a number of associated issues, it would be beneficial if the modification were returned to workgroup for an additional meeting.

The Workgroup is requested to assess:

- The revised definitions provided by the CMA;
- The potential impact on the provision of information to requesting parties falling under these definitions.

For Modification 0593, Members determined that:

Joint Office of Gas Transporters

- That Modification 0593 be issued to Workgroup 0593 for assessment, with a report to be presented no later than the December 2016 Panel.

- b) Modification 0595S - Amendment to the Arrangements between National Grid NTS and GNI at the Moffat IP to Provide for Interruption of Virtual Reverse Flow

For Modification 0595S, Members determined that:

- It should proceed to Consultation with a close out date of 10 November 2016.

### 195.9 Consideration of Workgroup Reporting Dates and Legal Text Requests

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

Workgroup	New Reporting Date
None	

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

Modification
0565 - Central Data Service Provider: General framework and obligations

### 195.10 Consideration of Variation Requests

None.

### 195.11 Final Modification Reports

- a) Modification 0587 – Seasonal Energy Balancing Credit Cover

For Panel discussion see the Final Modification Report published at:  
<http://www.gasgovernance.co.uk/0587>

Members then voted and determined by unanimous vote to recommend implementation of Modification 0587.

### 195.12 Any Other Business

- a) CGR3 Implementation Plan

LJ presented the CGR3 implementation plan and progress made to date, which included Modification 0596 presented earlier in the meeting.

#### **Cross Code Forward Workplan**

LJ provided an update on the forward workplan for Code Administrators, as the Joint Office is leading its development. The workplan had been presented to a number of parties to get some initial views.

The workplan would currently offer a “soft landing” approach until the CMA remedies were available and implemented which would bring into play the Code Manager function.

RP asked if the workplan included full implementation for modifications/projects. LJ confirmed it was end to end, including systems implementation not just the modification/UNC aspects.

RF asked which other parties would be feeding into the plan in addition to Panel or Change Overview Board. LJ felt this would be the cross-energy group which is to be established and would be looking at strategic change across the industry and other Code Panels.

AL asked if this plan would feed into Ofgem’s own planning process. RE believed it would be a useful feed into their process. He also noted that Ofgem would be issuing its consultation on Code Administration remedies proposed by the CMA.

LJ advised that he would be exploring the workplan with COB and populating it further.

### **Project Management Assurance**

LJ presented a number of slides proposing how Panel could engage project management and project managers.

SM suggested that a number of parties could be provided on a list and that these would be selected on a call off basis rather than run an individual procurement process each time. LJ agreed with this would be a preferable option but procurement would need to be managed by another party such as Xoserve as the Joint Office was currently unable to establish contractual arrangements.

LJ suggested that there might be a need to invest in changes before there is a real need to proceed to ensure sufficient and robust management is in place to enable a reasonable judgment and assessment to take place. SM agreed with this approach, as it's a matter of spending money at the right time, which might reduce the overall cost of the project.

SM suggested that the contracting party should be the Code Administrator rather than Xoserve for example; this is to remove potential conflicts. AL suggested that Transporters could contract the project manager as with metering errors. JF felt this would not work and an individual transporter contracts for metering errors, should this approach be adopted it would need to be on a consolidated basis which would be contractually difficult. In addition, should a Code party be procuring the service directly, it should be left to a non-Code party such as Xoserve.

AL challenged the view that the Joint Office would not be able to procure the service when other Code Administrators do; perhaps the Joint Office could be established as a limited company to manage this type of process.

SM suggested that he raise the required modification to move this process forward as he had raised a similar modification previously. RP agreed that he would raise the modification to get the process under way as Transporters usually raise governance modifications.

### **Self-Governance Criteria**

RE advised that they were pleased that Self-Governance Panel has put Self-Governance guidance forward and that they were anticipating the receipt of common Self-Governance criteria from a combined Code Administrator document and approach.

### **b) FGO Matters**

CW provided an overview of progress to date and an update on current issues.

- Legal reviews have been undertaken for both UNC and DSC legal text;
- Modification 0565A is to be considered at the next workgroup meetings on 26 October and 01 November;
- It is anticipated the Workgroup Report will be completed by 01 November.

CW confirmed that the FGO meetings were progressing well and that the DSC schedule would be covered under Modification 0565 development. It was also anticipated the alternative Modification 0565A would be progressed to the same timeline.

He requested that Panel agree to a short notice extraordinary meeting on Friday 04 November so that the DMR could be issued to consultation for an extended period, with the FMR being considered at the December Panel.

Members Unanimously agreed to consider the Workgroup Report at an extraordinary meeting at 09.00hrs on 04 November 2016.

BF asked members to note that there would be a requirement to establish DSC committees and although these would be UNCC committees, it would be worth members considering at some point in the near future if these committees should be established or the nomination process started sooner rather than later, as they would need to undertake activities in advance of FGO implementation date.

c) Standing Alternates

AP reminded members that it would be useful if each could confirm to the Joint Office who their standing alternates were. He asked that the alternates would not be existing members of Panel if at all possible.

d) Changes to membership

FH advised that he would be standing down after the November Panel and that Darren Lond would be the National Grid NTS Panel member from December 2016 onwards.

AP thanked FH on behalf of members for his active participation in Panel business and wished him well in his new role.

e) Modifications with Ofgem

RE confirmed it was Ofgem's intention to provide decisions on implementation this week for Modifications 0531 and 0574.

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

09:00, Friday 04 November 2016, by teleconference

10:30, Thursday 17 November 2016, at Elexon.

**Action Table (20 October 2016)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update