

**UNC Workgroup 0580S Minutes**  
**Implementation of Non Effective Days to enable Annual AQ Review**  
**(independent of Nexus transition)**  
**Thursday 28 April 2016**  
**at Energy UK, 5-11 Regent Street, London, SW1Y 4LR**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andrew Margan*	(AM)	British Gas
Andy Clasper	(AC)	National Grid Distribution
Angela Love	(AL)	ScottishPower
Anne Jackson	(AJ)	SSE
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Colin Blair	(CBI)	ScottishPower
Dave Addison*	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
Gavin Anderson*	(GA)	EDF Energy
Hilary Chapman	(HC)	Scotia Gas Networks
John Welch*	(JW)	RWE npower
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Naomi Nathanael	(NN)	Plus Shipping
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy*	(RP)	Wales & West Utilities
Sasha Pearce	(SP)	npower
Suchitra Hammond	(SHa)	Ofgem
Steve Mullinganie	(SM)	Gazprom

\* *via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0580/280416>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 May 2016.

**1.0 Outline of Modification**

HC introduced the modification and explained that Scotia Gas Networks (SGN) believes that the modification qualifies for self-governance (SG) status on the grounds that it is not proposing a material change, simply seeking to extend the previous UNC Modification 0535 'Implementation of Non-Effective Days to enable Annual AQ Review (independent of Nexus transition)' principles.

**2.0 Initial Discussion**

Some parties questioned the self-governance status of Modification 0580S as it could have a material impact on consumers who wish to switch suppliers.

Other parties suggested that clarification around UNC Modification 0532 ‘ Implementation of Non Effective Days (Project Nexus transitional modification)’ which is currently with Ofgem awaiting a decision, might help the industry to better understand the SG status question.

When asked, HC confirmed that should Modification 0580S implementation coincide with Project Nexus delivery then Project Nexus takes precedent. Some parties suggested that the modification would benefit from further clarification on how it ‘fits in’ around the Project Nexus timeline timetable. Responding, HC pointed out that 0580S is not specifically related to Project Nexus, but conceded that the modification might need tweaking inline with Workgroup discussions and concerns.

When asked, the Workgroup suggested that inclusion of additional clarification around a potential GO / NO GO decision point and what ‘trigger’ criteria would be applied to such a decision would / could prove beneficial. When DA provided a view on what he believes a GO / NO GO decision would be based on, AL challenged where such a view had been signed on to (i.e. in which industry forum). DA confirmed that he would double check and provide a response in due course.

Moving on, some parties felt that the real difficulties arise because the non-effective days proposed for 0532 and 0580S are different, with the resulting pattern causing potential issues when trying to brief staff and manage system changes, particularly if there is a Nexus no go decision close to the proposed commencement of the non effective days.

When it was suggested that Ofgem might be uncomfortable with a later GO / NO GO decision on the grounds that this could prevent parties from ‘backing out’ in sufficient time, thereby potentially impacting on the competitive market, SHa advised that her colleague J Dixon is of the opinion that 0580S does not satisfy the self-governance criteria and that they are considering whether they should call it in for a decision. SHa did agree to consider whether Modification 0580S does potentially prevent parties from implementing the proposed non effective days in sufficient time, thereby potentially impacting on the competitive market and to provide a view at the next meeting.

In providing a brief explanation of how previous modifications of this ilk have been developed, DA suggested that any risks associated to 0580S relate more to objection period aspects than anything else.

SM pointed out that he would be asking his Gazprom business colleagues for a view based on the assumption that should Modification 0532 be implemented and Project Nexus delivery be delayed, what would the expected impact of Modification 0580S.

When asked, the Workgroup consensus was that 0580S should not be deemed a self-governance modification going forward, but were happy to support 4 non-effective business days as proposed.

DA advised that he would be looking to discuss the issues / concerns raised against the modification and whether or not it should now be progressed under the Project Nexus Workgroup banner in more detail with Ofgem and PwC in due course.

**Action 0401: Ofgem (SHa) to provide a view on whether modification 0580S (in its current form) potentially prevent parties from ‘backing out’ their systems in sufficient time, thereby potentially impacting on the competitive market.**

**Action 0402: All parties to provide a view on the minimum acceptable GO / NO GO decision criteria and system back out lead times (to take into account confirmation type issues).**

## **2.1. Initial Representations**

None received.

## **2.2. Issues and Questions from Panel**

None raised.

### 3.0 Next Steps

In suggesting that perhaps SGN would like to consider amending the modification inline with Workgroup discussions, BF advised that the aim would be to complete the Workgroup Report at the next **Project Nexus Workgroup** meeting scheduled to take place on Tuesday 10 May 2016.

### 4.0 Any Other Business

None.

### 5.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:30 Tuesday 10 May 2016	31 Homer Road, Solihull, B91 3LT	Detail planned agenda items. <ul style="list-style-type: none"> <li>• Consideration of amended modification</li> <li>• Consideration of Business Rules</li> <li>• Consideration of User Pays</li> <li>• Review of Impacts and Costs</li> <li>• Review of Relevant Objectives</li> <li>• Consideration of Wider Industry Impacts</li> <li>• Consideration of Legal Text</li> <li>• Completion of Workgroup Report</li> </ul>

### Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	28/04/16	2.0	To provide a view on whether modification 0580S ( <i>in its current form</i> ) potentially prevent parties from 'backing out' their systems in sufficient time, thereby potentially impacting on the competitive market.	Ofgem (SHa)	<b>Pending</b>
0402	28/04/16	2.0	To provide a view on the minimum acceptable GO / NO GO decision criteria and system back out lead times ( <i>to take into account confirmation type issues</i> ).	All	<b>Pending</b>

