

Uniform Network Code Committee

Minutes of the 124th Meeting held on Thursday 17 July 2014

at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives
A Barnes (AB), Gazprom alternate for A Green and P Broom A Margan (AM), British Gas R Fairholme* (RF), E.ON UK	C Warner (CWa), 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

Non-Voting Members:

Chairman	Ofgem Representative	Consumer Representative
L Jenkins (LJ), Joint Office	A Rooney (AR), Ofgem	

Also in Attendance:

A Love, (AL) ScottishPower; D Addison (DA), Xoserve; K Elliott-Smith (KES), Cornwall Energy and R Fletcher (RF), Secretary

* by teleconference

124.1 Note of any alternates attending meeting

A Barnes for A Green (Total)
A Barnes for P Broom (Gazprom)
A Margan for C Wright (British Gas)
E Melen for A Musgrave (Scotia Gas Networks)
R Pomroy for S Edwards (Wales & West Utilities)

124.2 Apologies for Absence

A Green, A Musgrave, C Alexander, C Wright, P Broom and S Edwards.

124.3 Minutes and Actions from the previous meeting

The Minutes from the previous meeting were approved.

124.4 Matters for the Committee's Attention

a) Project Nexus implementation date

LJ explained that he had sought a legal view from National Grid on the ability of the UNCC to change implementation dates.

RH provided the update on their interpretation of the Code as it is currently set out:

UNCC has a number of roles including UNCC and UKLC which is to i) review the implementation of the UNC set out in General Terms Section B. ii) implementation of systems as set out in TPD Section U. He explained he was asked to provide a view on i)

General Terms Section B

Confirms that the Consumer Rep has no voting rights;

Nothing in UNCC is binding on other parties unless expressly provided for in Code.

There is a question around the status of Modification 0432 as it has been directed for implementation on 01 October 2015, however it is not currently reflected in Code. That said, if it is considered to be live, the role of UNCC is defined within the text for Modification 0432. General terms Section C – Project Nexus Implementation Date;

In addition, where no procedures currently exist, the UNCC can devise procedures by panel majority for dealing with matters not expressly detailed in UNC (UNC General Terms Section B 4.2.2). Whether this should be by Majority Vote or Unanimous is down to the process agreed.

The question needing to be answered is whether the provisions in Modification 0432 should be considered as live.

AL asked how the rules work where Modifications 0432 and 0434 have been implemented but Modification 0440 has not. The transition rules have a defined term that requires all three to be implemented to meet the requirements of the Project Nexus Implementation Date.

AR advised that they are seeking a legal view on the UNCCs ability to overturn a

decision date given by Ofgem and that they would provide a view when it is available.

There is concern that where parties read Code today, it does not include Modification 0432 text so how can the text be considered live and applied.

LJ summarised that, whilst in principle UNCC might be able to create the procedures to do so, there are a number of tests to be considered before the UNCC could contemplate changing the date. Therefore would it be preferable that, should a party wish to change the date, a modification should be raised to add transparency to the process as it would be clearly defined and involve all parties including Ofgem.

AR confirmed this would be their preferred route, as evidence would need to be presented to demonstrate the need to change the implementation date.

POST MEETING UPDATE:

RH provided the following view on behalf of National Grid Transmission:

It is firstly important to note that the UNCC is represented in the UNC document in two separate roles.

The first role is set out in the UNC General Terms (GT) document Section B. This role is described in GT Section B 4.2.1 as being in relation to matters concerned with the implementation of the UNC contract.

The second role is set out in the UNC Transportation Principles Document (TPD) Section U. In this role the UNCC is given a new name under paragraph 1.1.7 "The UKLINK Committee" and this role can be described as being relation to matters of implementation of the systems and processes which support the application and operation of the UNC contract.

The request made to National Grid Transmission by the UNCC for clarity of the UNCC's role has been interpreted as being in relation to the first of the above roles.

Interpretation:

GT Section B 4 sets out the role of the UNCC and its Sub-committees.

GT Section B 4.1.2 sets out who shall be considered as members of the UNCC and the general administration arrangements for the meetings. This confirms that the committee members shall be the same as the UNC Panel but that the Customer Representative shall not be entitled to vote on UNCC matters.

Section B 4.4.1 states that the UNCC shall have no powers to bind any UNC Party or for any UNCC decision to modify any provision of the Code or the application thereof except as expressly provided in the Code. It is this reference to "Except as expressly provided in the Code" which links the request for clarity of the UNCC's role with the UNC Modification 0432. Within the text of Mod 432 it states that:

Transitional Rules Part II C, Paragraph 13.1.1 (b) the "Project Nexus Go Live Date" is 1st October 2015 or such other date as may be determined by the Uniform Network Code Committee.

A similar statement in regard to the "Project Nexus Implementation Date" is also made in the Mod 0432 text changes proposed for GT Section C paragraph 1.

If the industry considers that Modification 0432’s text is currently part of the UNC then it is National Grid Transmission’s view that the above text meets the conditions set out in GT Section B 4.4.1 by expressly providing for the UNCC to have a role in determining a date other than the 1st October 2015 for the “Go Live” and “Implementation date” of Project Nexus.

Given this position we then move to consider how the UNCC should go about its role in determining such other date. Section B 4.2 seeks to describe the functioning of the UNCC and B4.2.2 describes the route by which the UNCC should establish the procedures it will adopt if a current procedure described within Section B 4 does not cover the matter which the UNCC is being asked to consider. This paragraph states that the UNCC may “by panel majority decide upon the procedures to be adopted by it”.

It is therefore possible to say that Mod 432 text has provided the UNCC with an expressly provided role in relation to Project Nexus but that UNC GT Section B 4 does not set out procedures for the UNCC in relation to the role provided for by mod 432. Therefore, it can be considered as a matter for the UNCC itself to decide what procedures it intends to adopt in exercising the role granted to it by Mod 432. Any such a decision, however, must be made by Panel Majority excluding the Customer Representative.

124.5 Any Other Business

None raised.

124.6 Next Meeting

Thursday 21 August 2014, at the ENA, immediately after the UNC Modification Panel meeting.

Action Table – UNCC

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update