

**Uniform Network Code Committee**  
**Minutes of the 143<sup>rd</sup> Meeting held on Thursday 21 January 2016**  
**Elxon 350 Euston Road London NW1 3AW**

**Attendees**

**Voting Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>
A Green (AG), Total A Margan (GM), British Gas C Baldwin (CB), E.ON UK P Broom (PB), GDF Suez S Mulinganie* (SM), Gazprom	C Warner (CW), National Grid Distribution E Melen (EM), 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>	<b>Consumer Representative</b>
A Plant (AP), Chair	R Elliott (RE), Ofgem	

**Also in Attendance:**

F Cottam (FC), Xoserve; H Chapman (HC), Xoserve; J Dixon (JD), Ofgem; K Elliott-Smith (KES), Cornwall Energy; L Jenkins (LJ), Joint Office and R Fletcher (RF), Secretary.

\* by teleconference

**143.1 Note of any alternates attending meeting**

C Baldwin for R Fairholme (E.ON UK)

**143.2 Apologies for Absence**

R Fairholme

**143.3 Minutes and Actions from the previous meeting**

The Minutes from the 17 December meeting were approved.

**143.4 Matters for the Committee's Attention**

- a) New AUGE arrangements under Modification 0473: update

Deferred to the February meeting.

- b) Proposed amendments to the "Framework for the Appointment of an Allocation of Unidentified Gas Expert"

AM explained number of proposed changes to the framework document were housekeeping in nature and were aimed at correcting a number of descriptions errors and definition changes, so that the document mirrored the definitions contained in UNC.

Members determined unanimously to approve the proposed changes to the "Framework for the Appointment of an Allocation of Unidentified Gas Expert".

- c) UNC Supplementary Documents for approval (requested by Transporters)

HC introduced the documents, explaining that they had been reviewed by Project Nexus Workgroup. Members determined unanimously to approve the proposed changes to the following documents:

- i) Guidelines for Sub-Deduct Arrangements
- ii) Shared Supply Meter Points Guide and Procedures

- d) *Modification 0506AV - Gas Performance Assurance Framework and Governance Arrangements - implementation*

Members agreed to consider this item at short notice.

RP explained that Modification 0506V is to be implemented. However, for Transporters to put in place the Performance Assurance Framework Administrator (PAFA), they would need the UNCC to establish the Performance Assurance Committee (PAC) as a sub-committee of UNCC. This is because the PAC is needed to help establish the appointment criteria for the PAFA so that the tender process can commence.

Transporters have a number of questions about the establishment of the PAC and how

membership should be defined. RP agreed to contact the proposer of 0506V to gain a better understanding of their intention about the establishment of the PAC and PAFA. CB noted that draft Terms of Reference had been provided with the modification so that the process did not need to start from scratch.

**New Action: UNCC0101: RP to discuss directly with the proposer of 0506V to get a better understanding of establishment principles for the PAC and PAFA.**

RP advised that Transporters will confirm the implementation date for Modification 0506V and he felt it could be implemented immediately on such notice being issued to the Joint Office.

CW advised it is Transporters' intention to use Xoserve to manage the tender and selection process to appoint the PAFA. RP confirmed that as Modification 0506V is User Pays, these costs can be recovered using this mechanism only when Xoserve incur the costs, in addition they have the appropriate skills and knowledge to let the tender. LJ asked why Chinese walls can't be put in place so that Xoserve can participate in the role of PAFA. RP said this would be a matter for the Xoserve board to consider.

RP asked Members to note that Project Nexus implementation and the resources required would take priority over the establishment of the PAC, PAFA and Performance Assurance Framework.

#### **143.4 Any Other Business**

##### a) Recent amendments to the Energy Balancing Credit Rules (EBCR)

AP raised a concern that the recent amendments to the EBCR have an effect on the proposed in Modification 0569S - Removal of the minimum security requirement from the Energy Balancing Credit Rules. He proposed that the UNCC should request a report from the EBCC covering the following questions:

1. Explain why the recent changes to the EBCR were approved when proposed Modification 0569S is currently moving through the modification process.
2. Explain why it was necessary to amend the EBCR immediately and why the amendment couldn't follow the usual two months notice period.
3. Provide an update on the changes required to the EBCR should Modification 0569S be implemented.

The Secretary is to write to EBCC to request a report in time for the next UNCC meeting.

##### b) Implementation of Project Nexus Related Modifications

JD explained that the concerns Ofgem have related to the Project Nexus transitional modifications that have been submitted to them for decision due to the reasons listed below.

**Modification 0527 - Implementation of Annual Quantity arrangements (Project Nexus transitional modification)**

Ofgem were of the opinion this modification was not impacted and they were mindful to implement it.

**Modification 0528V - Implementation of Supply Point Administration, gas allocation and settlement arrangements (Project Nexus transitional modification)**

Ofgem had concerns about the reference to the removal of the AUGE due to the delayed implementation of Project Nexus from 2015 to 2016. They were concerned that the transitional table implemented by Modification 0473 - Project Nexus – Allocation of Unidentified Gas, is populated with values which have not been reviewed for a number of years. This table should be amended in line with the latest information and he hoped the UNCC would approve this approach.

Ofgem were suggesting the interim table values should be reconsidered by the appointment/procurement of an interim AUGE as a one off exercise.

CW felt none of this would impact Modification 0528V, as the interim table and AUGE will be put in place with the implementation of Modification 0473, which currently was planned for 01 October 2016.

PB was concerned about the proposed table refresh and the advanced notice/impact on pricing for consumers. AG asked if the process would require a whole new AUGE year process. JD confirmed that the process would be to refreshing the values based on the existing methodology using more up to date information and not reviewing the methodology itself.

AG was concerned that the AUG process constantly throws up questions and reviews during the normal process, yet challenges would not be allowed during this refresh.

SM felt the table could be refreshed based on the adoption of the process used to create it, which used publically available data.

FC confirmed the UNCC would need to unanimously approve the refreshed table before it was adopted.

There was unanimous support for the approach suggested by Ofgem that the authority would procure an interim AUGE to refresh the table.

**Modification 0529 - Implementation of Retrospective Adjustment arrangements (Project Nexus transitional modification)**

JD noted that as retrospective updates functionality was not going to be in scope for systems being delivered for 01 October 2016 was impacting what Ofgem could do with this modification. They could send it back but would need to define what was defective in any send back letter, and there was nothing defective in 0529, rather it had been overtaken by events. The modification could be left with them until there was certainty on what future options there were, this was not desirable as it creates uncertainty. Ofgem's preferred option is to reject the modification so that the scope of the modification can be reconsidered and raised again as a new modification.

SM wanted to know if this would pre-empt the discussions on what can be provide in terms of off line retrospective update functionality. JD was concerned that certainty needs to be given to the market on what can be achieved and what core was going to deliver in October. His view – which gained sympathy among UNCC Members - is that the most appropriate way forward is to reject the modification in its current format and that additional modifications can be raised as required.

CW wanted to consider the impacts on the Modification 0434 implementation as this would need to be amended and would feed into the next set of transitional modifications.

**Modification 0548 (Urgent) - Project Nexus – deferral of Implementation Date**

JD confirmed it is Ofgem’s intention to amend the timelines/milestones implemented with Modification 0548, as market trials would not need to include RAASP as it had been de-scoped for this delivery.

SM wanted assurance that if the core system end date changes, the modification process would be used. JD confirmed this is an authority decision but is likely to be subject to consultation and not just a discussion at Project Nexus Steering Group. However, he advised that the authority would retain the ability to be able to stop implementation should significant issues be identified so close to go live that a consultation process cannot be used.

SM asked if the changes to the milestones would require a modification to be raised? JD confirmed any change to the UNC is a “modification”, whether it is through a modification proposal or a consent to modify, with the later being the likely route.

**143.5 Next Meeting**

Thursday 18 February 2016, immediately after the UNC Modification Panel meeting.

**Action Table (21 January 2016)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>UNCC 0101</b>	21/01/16	143.4	RP to discuss directly with the proposer of 0506V to get a better understanding of establishment principles for the PAC and PAFA.	Wales & West Utilities (RP)	<b>Pending</b>