

**Record of Determinations: Panel Meeting 21 July 2016**

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Voting Member	Determination Sought	
		AG	AM	RF	PB	SM	CW	FH	HC	JF	RP	SMo		
<b>0589 - Inclusion of CSEP Supply Meter Points within NDM Sampling Arrangements</b>	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	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
	Legal Text requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To request Legal Text
	Issued to Workgroup 0589 with a report presented by the August 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be issued to Workgroup with a report by the August Panel
<b>0590R - Review the options to remove the use of Fax machines within the UNC</b>	Consideration deferred - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration
<b>0591 - DSR - Removal of 7 day rolling profile functionality</b>	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	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
	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation?
	Legal text required - <i>unanimous vote against</i>	X	X	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	X	X	Is a cost estimate required for inclusion in DMR?

	Consultation to close out on 11 August 2016 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0591 consultation end on 11 August 2016 (and FMR be taken at short notice)?
<b>0592 - Separation of National Grid Transmission and Distribution owned networks - Transitional invoicing arrangements</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>majority vote in favour</i>	X	✓	X	X	X	✓	✓	X	✓	✓	✓	Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0592S with a report presented by the 18 August 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be issued to Workgroup with a report by the September Panel
<b>0531 - Provision of an industry User Test System</b>	Issued to Workgroup 0531 with a report presented by the September 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be returned to Workgroup for further assessment with a report by the September 2016 Panel?
<b>0574S - Creating the permission to release supply point data to the Theft Risk Assessment Service (TRAS)</b>	Issued to Workgroup 0574S with a report presented by the August 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be returned to Workgroup for further assessment with a report by the August 2016 Panel?
<b>0582S - Amendments to reflect separation in legal ownership of NTS and National Grid owned LDZs to facilitate the sale of National Grid's Gas Distribution Business</b>	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation?
	Legal text required - <i>unanimous vote against</i>	X	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	X	Is a cost estimate required for inclusion in DMR?
	Consultation to close out on 11 August 2016 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0582S consultation end on 11 August 2016 (and FMR be taken at short notice)?
	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation?

<b>0583S - Requiring an Opening Meter Reading at same User Confirmation</b>	Legal text required - <i>unanimous vote against</i>	X	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	X	Is a cost estimate required for inclusion in DMR?
	Consultation to close out on 11 August 2016 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0583S consultation end on 11 August 2016 (and FMR be taken at short notice)?
<b>0585 - Separation of NTS and National Grid owned networks – Calculation of Code Credit Limit and Value at Risk</b>	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation?
	Legal text required - <i>unanimous vote against</i>	X	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	X	Is a cost estimate required for inclusion in DMR?
	Consultation to close out on 11 August 2016 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0585 consultation end on 11 August 2016 (and FMR be taken at short notice)?
<b>0580S - Implementation of Non Effective Days to enable Annual AQ Review (independent of Nexus transition)</b>	Variation Request is not material - <i>majority vote against</i>	X	X	X	X	X	✓	X	X	X	✓	X	Is Variation Request for 0580S material?
	Implemented - <i>with a majority vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0580VS be implemented?
<b>0576 - Generation of an estimated Meter Reading at the Code Cut Off Date in the absence of an actual Meter Reading</b>	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)

<b>0578 - Implementation of Retrospective Invoice Adjustment arrangements (Project Nexus transitional modification)</b>	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)
<b>0581S - Amending the Oxygen content limit specified in the Network Entry Agreements at Grain LNG</b>	Implemented - <i>with a majority vote in favour</i>	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	Should Modification be implemented? (only votes in favour recorded)
<b>0584S - Energy Theft Tip-Off Service (ETTOS) – Release of Supplier identity</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?
	Implemented - <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 191<sup>st</sup> Meeting held on Thursday 21 July 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 Margan (AM), British Gas P Broom* (PB), Engie R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom	C Warner (CW), National Grid Distribution F Healy (FH), National Grid NTS H Chapman (HC), Scotia Gas Networks J Ferguson (JF), Northern Gas Networks R Pomroy (RP), Wales & West Utilities	S Moore (SMo), 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; and S Britton (SB), Cornwall Energy.

*\* via teleconference*

## Record of Discussions

### 191.1 Note of any alternates attending meeting

None

### 191.2 Record of Apologies for absence

None

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

Members approved the minutes from the previous meeting (16 June 2016).

**PAN0601:** *Workgroup Report Extensions Statistics* - The Joint Office to provide a report to the July Panel meeting.

**Update:** A report had been provided (see item 191.12 d), below). **Closed**

**PAN0602:** *Modification 0580S* - RE to provide confirmation to the Workgroup, in time for the July Panel meeting, that 4 non-effective days was acceptable to Ofgem.

**Update:** RE affirmed that confirmation had been provided, see item 191.10 a) below. **Closed**

### 191.4 Consider Urgent Modifications

None.

### 191.5 Consider New Non-Urgent Modifications

- a) Modification 0589 - Inclusion of CSEP Supply Meter Points within NDM Sampling Arrangements

CB introduced the modification and its aims. RP confirmed he supports the aims of the modification, however, there may some unintentional consequences in the Suggested Text, which probably can be resolved in a workgroup discussion.

HC advised that the Suggested Text needs to be adjusted but should not lead to a significant change to the modification.

SMo suggested that this and other similar modifications could be made clearer for readers with a non-technical background. LJ advised that this was the last using the old template; this should be better with the new, plain-English, Summary section and he welcomed continued feedback.

For Modification 0589, 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 shipping, supply or transportation;
- To request Legal Text; and

- That Modification 0589S be issued to Workgroup 0589S for assessment, with a report to be presented no later than the August 2016 Panel.

b) Request 0590 - Review the options to remove the use of Fax machines in the UNC

CB introduced the Request and its aims. AP suggested that, as there were a number of other significant projects/modifications in flight, it might be worth Panel considering workload, with this Request being deferred until there is sufficient space in the diary. CB was concerned that consumers had raised this issue and would like to make progress to seek early changes to the current process.

FH was concerned at the scope of this Request and that it might have significant safety impacts as fax is used as a default communication method during network emergencies.

CB advised that she would consider whether to raise a narrow scope modification to help alleviate some of the concerns raised by consumers without impacting emergency procedures or continue with the Request on a Panel determined timeline.

For Request 0590R, Members determined:

- To defer consideration to allow the proposer time to consider the options available.

c) Modification 0591 – DSR – Removal of 7 day rolling profile functionality

AW introduced the modification and its aims. FH suggested that this modification is suitable for issuing to consultation, as National Grid has consulted upon the related Methodology ahead of its' approval by Ofgem. A draft modification has been discussed as a pre-modification at Transmission Workgroup.

For Modification 0591, 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 and the transportation of gas through pipes;
- It should proceed to Consultation;
- Further legal text is not required for inclusion in the draft Modification Report;
- Consultation should close on 11 August 2016;
- The Final Modification Report will be considered at short notice at the August Panel.

d) Modification 0592 – Separation of National Grid Transmission and Distribution owned networks – Transitional invoicing arrangements

CW introduced the modification and its aims. SM asked why the credit arrangements need to be ready for 01 October when the invoicing arrangements won't be ready until some time after. CW advised that this is a step in the process to demonstrate business separation and systems will follow within a short period of time. There are a significant number of changes being progressed at this time and the invoice changes would be implemented when time and capability allowed.

AM was concerned that a short term transitional process may end up being longer term due to Xoserve resource constraints due to Nexus and associated implementation delays. CW felt this change would be made as soon as the Agency confirms a process solution.

SM challenged why the credit arrangements can't be shared when it is still possible to share invoicing? FH explained this would be similar to an agency arrangement by NGG on behalf of NGGD, it was not NGG invoicing as one business and then sharing out the receipts. SM challenged this assumption as he felt it was more of a redistribution of funds and not a separate invoice for each business issued by NGG.

PB was concerned that this modification may impact other Shipper process arrangements and invoices and therefore it should not be considered as Self-Governance.

RP explained that in his view Modification 0582 is separating the businesses and this modification aims to resolve a short-term issue in that process, therefore it should not be considered as a material impact on that process.

SM wanted the workgroup to provide a view on the likely impacts should the modification become more enduring in nature.

AP asked if the modification had a sunset clause? CW advised does not propose a sunset clause, however the transition text will expire on 10 days notice from NGGD that it is to commence invoicing directly.

The Workgroup is requested to consider the Self-governance status of this modification should it be effective for more than the anticipated 3 months duration.

For Modification 0592, 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 and the transportation of gas through pipes;
- To request Legal Text; and
- That Modification 0592 be issued to Workgroup 0592 for assessment, with a report to be presented no later than the August 2016 Panel.

### **191.6 Existing Modifications for Reconsideration**

None for reconsideration.

### **191.7 Consider Workgroup Issues**

None.

### **191.8 Workgroup Reports for Consideration**

#### a) Modification 0531 - Provision of an Industry User Test System

LJ advised that the cost estimate provided is in the region of £2m and that the workgroup has requested more time to consider their report to ensure the funding arrangements are clear.

For Modification 0531, Members determined that:

- It should be returned to Workgroup 0531 for assessment, with a report to be presented no later than the September 2016 Panel.

#### b) Modification 0574S - Creating the permission to release supply point data to the Theft Risk Assessment Service (TRAS)

JF advised that legal text has been provided, however this was outside of the usual 15 days allocated by Panel due to a lack of availability of their legal resource, and apologised for the delay.

JF raised an issue that the User Pays section does not accurately reflect what is required in terms of the service and what is chargeable and what is not.

The current wording reflects the proposer view that this would be a non Code User Pays service, however as this modification is merely providing permission it does not create the service. The service created would be subject to bilateral arrangements and outside the scope of this modification.

For Modification 0574S, Members determined that:

- It should be returned to Workgroup 0574S for assessment, with a report to be presented no later than the August 2016 Panel.

#### c) Modification 0582S - Amendments to reflect separation in legal ownership of NTS and National Grid owned LDZs to facilitate the sale of National Grid's Gas Distribution Business

CW advised that the transition text Part A 4.3 had been amended to clarify the invoicing process.

SM suggested that Modifications 0582 and 0585 should be issued to consultation with Modification 0592 and therefore put on hold until Modification 0592 caught up. This would allow the industry to fully assess the total impact of these modifications.

LJ noted the concerns and suggested that comments be added to the modification consultation templates and respective Draft Modification Reports to request respondents to consider the impacts of these related modifications in their responses.

For Modification 0582S, Members determined:

- It 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 11 August 2016;
- The Final Modification Report will be considered at short notice at the August Panel.

d) Modification 0583S - Requiring an Opening Meter Reading at the same User Confirmation

For Modification 0583S, Members determined that:

- It 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 11 August 2016.
- The Final Modification Report will be considered at short notice at the August Panel.

e) Modification 0585 - Separation of NTS and National Grid owned networks – Calculation of Code Credit Limit and Value at Risk

See the discussion for item above c) Modification 0582.

For Modification 0585, Members determined:

- It 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 11 August 2016;
- The Final Modification Report will be considered at short notice at the August Panel.

**191.9 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
None

**191.10 Consideration of Variation Requests**

- a) Modification 0580S - Implementation of Non Effective Days to enable Annual AQ Review (independent of Nexus transition)

HC gave an overview of the reasons for the Variation Request and the change in the number of proposed non-effective days from 7 to 4 because the Nexus delivery date is to change, removing any cross-dependency.

HC advised the variation shouldn't be considered material, as the intent of the modification has not changed, just the number of days, which would reduce its overall impact on UNC parties and consumers.

RP considered the change to be material as it would possibly change other parties' consultation responses and as the self-governance status had been challenged, this may impact representations.

RE confirmed Ofgem were comfortable with the approach in the modification now the number of days had reduced to 4 and would be content with Self-Governance.

RP suggested sending the modification out for a short consultation period.

LJ challenged this view, as the workgroup had recommended a non-material impact and that this modification would be applying a similar impact as to Modification 0535 the previous year – the proposed change was well understood and accepted as necessary – he doubted additional consultation would achieve any material benefits. He drew attention to the workgroup's view in their supplemental report, that an early decision would allow effective planning, alleviating potential consumer impacts.

SM was concerned that the consumer transfer process may be impacted should further consultation be required as this would start to impact the transfer process, it would then become a time critical modification, which would be no ones interests when all knew what the likely result would be.

The variation request was considered.

Members then voted and determined the variation to be non-material.

### **191.11 Final Modification Reports**

- a) Modification 0576 - Generation of an estimated Meter Reading at the Code Cut Off Date in the absence of an actual Meter Reading  
For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0576](http://www.gasgovernance.co.uk/0576).  
Members then voted and determined to recommend Modification 0576.
- b) Modification 0578 - Implementation of Retrospective Invoice Adjustment arrangements (Project Nexus transitional modification)  
For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0578](http://www.gasgovernance.co.uk/0578).  
Members then voted and determined to recommend Modification 0578.
- c) Modification 0580VS - Implementation of Non Effective Days to enable Annual AQ Review (independent of Nexus transition)  
For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0580](http://www.gasgovernance.co.uk/0580).  
Members then voted by majority vote to implement Modification 0580VS.
- d) Modification 0581S  
For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0584](http://www.gasgovernance.co.uk/0584).  
Members then voted by majority vote to implement Modification 0581S.
- e) Modification 0584S – Energy Theft Tip-Off Service (ETTOS) – Release of Supplier identity  
For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0584](http://www.gasgovernance.co.uk/0584).  
Members then voted unanimously to implement Modification 0584S.

### **191.12 Any Other Business**

- a) Panel Email Circulation Options

SM requested that when an email is circulated to Panel members it should include their email addresses so that a reply could be copied to all members. Members agreed that their email addresses could be made visible on Panel communications by the Joint Office.

b) CGR3 Implementation Plan

LJ presented the CGR3 implementation plan and progress made to date.

**Modification Template** – LJ confirmed the new modification template had been implemented;

**Self Governance changes** - RP advised that he is developing a modification to amend the Self Governance process in the Modification Rules. This was proving difficult as Ofgem had not changed the Self Governance criteria in the Licence and this would require a double negative test to be applied by Panel;

**Work Plans** – LJ advised that work plans were currently being discussed at with other Code Administrators and progress is being made;

**Project Management** – LJ advised this is proving more difficult, particularly in terms what should happen following CMA report. SM advised he is considering re-raising Modification 0549 as he would want Panel to control this activity.

c) Self-Governance Analysis (to inform materiality guidance under CGR3)

LJ presented a short notice discussion paper for members to consider an appropriate way forward. Members felt it was a good starting point and worth further discussion at the next meeting.

RP felt there should be more consideration around the value of a change in terms of cost and how this might be material for some and not to others. FH agreed with this view, however he wanted the modification process to demonstrate this assumption. LJ agreed and pointed out that workgroup reports tend to indicate a workgroup view on Self-Governance and whether panel should test the status again.

SM would like some assurance that Ofgem were supportive of the approach. He would also like to see a legal view presented that demonstrates panel members would not be personally liable for collective decisions on implementation.

LJ felt that the licence allows for materiality to be tested and this criteria support the process by clarifying the tests involved.

To be discussed at the next meeting.

d) Workgroup Reporting Timescales

LJ presented a paper explaining the reporting timescales and performance for workgroups. Members were of the opinion that there is a good spread of time lines and development timescales, with some modifications requiring extensions but not all.

RF wanted to ensure that workgroup reporting dates were not over ambitious when set by Panel to ensure realistic reporting dates.

JF felt that progress had been made in the last year or so to improve workgroup progression and the report demonstrated the steps taken.

LJ agreed although it should be noted that the proposer is key to modifications making progress and meeting reporting dates.

AG asked if this was going to be an ongoing exercise. AP requested that a similar report be provided annually.

e) UNC sub committee attendance

BF provided a view of sub committee attendance in previous year, advising this has been published on the UNC Elections page on the Joint Office website.

f) Modification 0565

CW advised that only 4 shippers are represented for the critical legal text review meeting on 25 July and he was disappointed and frustrated by the lack of attendance.

SM advised that Shippers have more significant issues to consider such as the delay to Nexus implementation and he was of the opinion this project should be deferred until there is more certainty about Nexus implementation and CDSP licensing.

CW asked members to note that an FGO planning meeting has been arranged on the afternoon of 27 July at Dentons offices.

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

10:30, Thursday 18 August 2016, at Elexon.

**Action Table (21 July 2016)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAN0601	16/06/16	190.9	<i>Workgroup Report Extensions Statistics</i> - The Joint Office to provide a report to the July Panel meeting.	Joint Office (LJ/BF)	<b>Closed</b>
PAN0602	16/06/16	190.11 b)	<i>Modification 0580S</i> - RE to provide confirmation to the Workgroup, in time for the July Panel meeting, that 4 non-effective days was acceptable to Ofgem.	Ofgem (RE)	<b>Closed</b>