

Record of Determinations: Panel Meeting 18 August 2016

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Voting Member	Determination Sought	
		AG	GJ	RF	PB (AG)	SM	CW	FH	HC	SK	RW	SMo		
0593 - Provision of access to data for Price Comparison Websites and Third Party Intermediaries	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 not a Self-Governance Modification - <i>majority vote against</i>	X	X	X	X	X	✓	✓	✓	✓	✓	X	X	Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0593 with a report presented by the October 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be issued to Workgroup with a report by the October Panel
0531 - Provision of an industry User Test System	Is not a Self-Governance Modification - <i>majority vote against</i>	X	X	X	X	X	✓	NV	✓	✓	✓	X	X	Does Modification satisfy the Self-Governance criteria
	Proceed to Consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	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 09 September 2016 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0531 consultation end on 09 September 2016 (and FMR be taken at short notice)?
0571 0571A - Application of Ratchet Charges to Class 1 Supply Points (and Class 2 with an AQ above 73,200kWhs)	Issued to Workgroup 0571 with a report presented by the 17 November 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be returned to Workgroup for further assessment with a report by the November 2016 Panel?

0574S - Creating the permission to release supply point data to the Theft Risk Assessment Service (TRAS)	Is not a Self-Governance Modification - <i>majority vote against</i>	X	X	X	X	X	✓	X	X	X	✓	X	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	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 09 September 2016 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0574 consultation end on 09 September 2016 (and FMR be taken at short notice)?
0575R - Consider the Performance Assurance Reporting Requirements for Transporters	Recommendations accepted - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Accept the recommendations in the Workgroup Report?
	Request 0575R is closed - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Request 0575R be closed?
0589S - Inclusion of CSEP Supply Meter Points within NDM Sampling Arrangements	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 09 September 2016 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0589S consultation end on 09 September 2016 (and FMR be taken at short notice)?
	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation?

0592S - Separation of National Grid Transmission and Distribution owned networks – Transitional invoicing arrangements	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 02 September 2016 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0589S consultation end on 02 September 2016 (and FMR be taken at short notice)?
	Extraordinary Panel meeting to be arranged for 08 September - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extraordinary Panel meeting to be arranged for 08 September 2016
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	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)
0583S – Requiring an Opening Meter Reading at same User Confirmation	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 majority vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be implemented? (only votes in favour recorded)
0591S – DSR – Removal of 7 day rolling profile functionality	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 majority 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 192nd Meeting held on Thursday 18 August 2016 at Elexon, 350 Euston Road, London NW1 3AW

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
A Green* (AG), Total G Jack (AM), British Gas 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 S Key (SK), Northern Gas Networks R Wigginton (RW), Wales & West Utilities	S Moore (SMo), Citizens Advice

Non-Voting Members:

Chairman	Ofgem Representative
A Plant (AP), Chair	R Elliott (RE)

Also in Attendance:

L Jenkins (LJ), Deputy Chair; R Fletcher (RF), Secretary; R Hinsley (RH), Xoserve; and S Britton (SB), Cornwall Energy.

** via teleconference*

Record of Discussions

192.1 Note of any alternates attending meeting

A Green for P Broom (Engie)
G Jack for A Margan (British Gas)
R Wigginton for R Pomroy (Wales & West Utilities)
S Key for J Ferguson (Northern Gas Networks)

192.2 Record of Apologies for absence

A Margan
J Ferguson
P Broom
R Wigginton

192.3 Minutes and Actions of the Last Meeting(s)

Members approved the minutes from the previous meeting (21 July 2016).

192.4 Consider Urgent Modifications

None.

192.5 Consider New Non-Urgent Modifications

- a) Modification 0593 - Provision of access to data for Price Comparison Websites and Third Party Intermediaries
SK introduced the modification and its aims. SM asked if the data items were those specifically set out in the CMA order. SK confirmed this was so and that the CMA were aiming to provide a definition of Price Comparison Website (PCW) and Third Party Intermediaries (TPI).

RE confirmed that Ofgem would support Self Governance as the modification is only providing permissions and not a service, therefore it would not have a direct material impact.

SM was concerned that this modification would facilitate the provision of information and that it should be subject to strong controls, therefore it should not be Self Governance. The whole framework including bilateral arrangements should be reviewed by the workgroup to ensure the process is managed effectively end to end.

LJ advised that consumer representatives attending the pre Modification Panel briefing had expressed views on this modification, they were broadly in support and felt that data protection should not be used as an excuse to prevent progress, however they were also mindful that third parties should not be able to use the data to create unwanted consumer contacts.

SMo felt this was an issue for consideration as there were other industry groups looking at the same issue and he would like to see the same definitions used across the industry.

AP asked members to note that this issue was not restricted to energy, other sectors such as banking were facing similar issues and therefore information and definitions may already be available for such circumstances.

SK advised that the CMA were aiming to provide clarification on the definitions in the near future, possibly around December. SM reiterated that permission should not be granted until a robust framework is in place, Transporters do not have a direct consumer relationship and the workgroup should explore the wider scope and impacts. It is suppliers that have a day to day relationship with PCWs and TPIs and they should be fully involved in this process.

FH was concerned that system changes resulting from Nexus would make NTS data available through this route: he would like to see clarification of this issue and if necessary exclusions to be put in place.

GJ agreed with the concerns but said the CMA is putting an order in place and the industry must do something to facilitate this happening.

HC felt that Transporters would be very concerned and careful about the release of data to other parties and this has been shown in their dealings with other modifications, which provide permissions.

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

192.6 Existing Modifications for Reconsideration

None for reconsideration.

192.7 Consider Workgroup Issues

None.

192.8 Workgroup Reports for Consideration

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

For Modification 0531, 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 09 September 2016;
- The Final Modification Report will be considered at short notice at the September Panel.

- b) Modification 0571 0571A - Application of Ratchet Charges to Class 1 Supply Points (and Class 2 with an AQ above 73,200kWhs)

For Modifications 0571 0571A, Members determined that:

- They should be returned to Workgroup 0571 for assessment, with a report to be presented no later than the November 2016 Panel.

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

For Modification 0574, Members determined that:

- The criteria for Self-Governance are not met as this modification is expected to have a material impact on shipping, supply, transportation or competition;
- 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 09 September 2016;
- The Final Modification Report will be considered at short notice at the September Panel.

- d) Request 0575R - Consider the Performance Assurance Reporting Requirements for Transporters |

LJ advised that the Workgroup has recommended that Transporters provide regular updates on their Offtake maintenance regimes to the Performance Assurance Committee or Offtake Arrangements Workgroup, to demonstrate any associated settlement risk was being mitigated and that the Workgroup should now be closed.

For Modification 0575R, Members determined:

- To accept the recommendations in the reports;
- That the Workgroup should be closed.

- e) Modification 0589S – Inclusion of CSEP Meter Supply Points within NDM Sampling Arrangements

For Modification 0589S, 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 09 September 2016.
- The Final Modification Report will be considered at short notice at the September Panel.

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

CW requested that consultation and Panel approval meetings be arranged so that implementation could be prior to 01 October 2016.

RF asked were there were any licence changes or impacts envisaged?
CW was unaware of any at this time.

For Modification 0592S, 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 02 September 2016;
- The Final Modification Report will be considered at short notice at an extraordinary Panel.

192.9 Consideration of Workgroup Reporting Dates and Legal Text Requests

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

Workgroup	New Reporting Date
Modification 0565 - Central Data Service Provider: General framework and obligations	November 2016

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

Modification
Modification 0587 - Seasonal Energy Balancing Credit Cover

192.10 Consideration of Variation Requests

None

192.11 Final Modification Reports

- a) 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

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0582.

Members then voted and determined by unanimous vote to implement Modification 0582S.

- b) Modification 0583S – Requiring an Opening Meter Reading at same User Confirmation

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0583.

Members then voted and determined by majority vote to implement Modification 0583S.

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

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0591.

Members then voted and determined by majority vote to implement Modification 0591S.

192.12 Any Other Business

- a) CGR3 Implementation Plan

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

Code Administrators Chairing – LJ confirmed that a process has been put in place with CUSC and Grid Code to allow one of them to chair a meetings where they Joint Office may be conflicted and where Panel agree this should happen. This might require a change to the Modification Rules, which were being reviewed at this time.

Self Governance changes - RW advised that the drafting of a modification to amend the Self Governance process in the Modification Rules is in progress, it is hoped to present this modification to the September Panel;

Work Plans – LJ advised that work plans were currently being discussed with other Code Administrators (CA) and progress is being made. There were different views amongst CAs on the definition of a work plan. The Joint Office preference is for Change Horizon with major changes highlighted over a broad timeline, whereas CUSC prefer a very detailed work plan. An update is to be provided at the next meeting;

Project Management – LJ advised this is proving more difficult, particularly in terms what should happen following CMA report recommendations.

SM advised he is considering re-raising Modification 0549, as he would want Panel to control this activity, particularly with faster switching being a project that would fall under the scope of a major change – the process needs to be established quickly.

LJ asked Panel members what they felt is wanted now. Or should we wait until Ofgem have consulted on the recommendations from CMA and rules are established to meet those recommendations.

SM felt it would be worth having a process “on the shelf” that would allow appropriate resources to be called in to manage a major project if needed.

GJ wanted to understand the timeline for projects from Ofgem to understand what is needed and when. FH wanted to understand funding model to be developed.

Members were broadly supportive of an informed buyer approach and agreed to review the item in more detail at the next meeting.

b) Self-Governance – Materiality Guidance

LJ reminded members of the paper presented at the previous meeting for approval at the meeting today.

SM challenged the level of materiality proposed relating to Shippers and asked would it be demonstrated as a value or market share. RW suggested that % of turnover as an impact would be a better demonstration, however this would be very subjective and have commercial sensitivities. The consensus was that % guides looked too difficult in this regard.

LJ incorporated changes into the document as the items were discussed during the meeting and advised that he would share the draft with other Code Administrators.

Members unanimously approved the Self Governance criteria.

AP suggested and members agreed the document should be reviewed at the March 2017 Panel.

c) FGO Workgroup Planning Update

CW provided an overview of the FGO programme and how discussions were taking place when considering the impacts of Nexus delivery deferrals and how the current version of FGO is currently predicated on Nexus legal text.

CW advised that the FGO workgroup planning timeline would need to be reconsidered and there may be a need for pre Nexus and a post Nexus versions of FGO. An approach is being presented to Ofgem to set out concerns and what is potentially achievable within the current timescales. This would lead to an additional modification to set out a transitional pre Nexus implementation approach and transition to post Nexus FGO.

SM was concerned that this process is linked to the Nexus implementation date which is unlikely to be known until the end of September and this means additional work to meet the “just in case” scenarios which was very time consuming and might not be needed at a time where the industry is very stretched.

CW felt that no significant changes could be made until there is some certainty on Nexus delivery and that this also impact iGTs as to when they take part in the FGO process.

SM was still concerned that so much additional work is needed to meet an April FGO implementation date when there may only be a couple of months benefit.

d) CUSC/UNC Independent Panel Chair meeting with Ofgem

AP advised that he recently met with the CUSC Panel Chair and Ofgem and that he intends to provide a full update about this meeting at the September Panel meeting.

192.13 Conclusion of Meeting and agreed Date of Next Meeting

10:30, Thursday 15 September 2016, at Gazprom.

Action Table (18 August 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update