

Uniform Network Code Committee
Minutes of the 150th Meeting held on Thursday 18 August 2016
Ellexon, 350 Euston Road, London NW1 3AW

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives
A Green* (AG), Total G Jack (GJ), British Gas R Fairholme (RF), E.ON UK S Mulinganie (SM), Gazprom	C Warner (CW), National Grid Distribution F Healey (FH), National Grid NTS H Chapman (HC), Scotia Gas Networks S Key (SK), Northern Gas Networks R Wigginton (RW), Wales & West Utilities

Non-Voting Members:

Chairman	Ofgem Representative	Consumer Representative
A Plant (AP), Chair	-	-

Also in Attendance:

A Love* (AL), Scottish Power; F Cottam (FC), Xoserve; L Jenkins (LJ); R Fletcher (RF), Secretary; R Hinsley (RH), Xoserve and S Britten (SB), Cornwall Energy.

150.1 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)

150.2 Apologies for Absence

A Margan
J Ferguson
P Broom
R Pomroy

150.3 Minutes and Actions from the previous meeting

The Minutes from 21 July 2016 meeting were approved.

Action UNC0107: What is the likely the impact on the AUGE and AUG process due to the deferral of Nexus implementation (pre- and post-Nexus).

Update: See discussion for item 150.4 (a) below. **Closed**

150.4 Matters for the Committee's Attention

a) New AUGE arrangements under Modification 0473

FC provided an update on progress to date in establishing the services of the newly appointed AUGE and advised what their intended initial steps would be. FC explained the FAQs sections of the presentation and that action UNC0107 had been specifically addressed in these.

The aim is to ensure the AUGE starts work immediately and even though there is a delay to Nexus implementation, this work should reduce the time the industry is relying on the current table and interim table implemented as part of Modification 0473. It should allow a new table to be implemented as soon as possible after Nexus implementation, based on the timeline in the guidelines.

There will be no impact on the AUGE process should the Nexus implementation date be delayed beyond February 2017. The reliance on the interim table is likely to be less or possibly not needed at all if the Nexus delay is significant. However, the AUGE delivery date is October/November within the AUG year so the interim table would cover the period between the Nexus implementation date and this date.

It is not envisaged that the AUG year will need to change due to the Nexus implementation delay as the table could be effective for a part of a year once it is provided. Any changes to the timetable in the UNC would require a modification to be raised should parties want the table to be effective for a full year in such an event.

SM asked how Class 3 and 4 data was going to be obtained when there is no live data until after Nexus go live – would it be assumed as in the interim table. FC thought that there was some work undertaken by PwC and that market intelligence would be used based on previous industry statements and this would help to build up assumptions.

SM asked what the default table would be if the interim table is not used and the new AUG table is not approved. FC advised the default is the previous table approved by the

UNCC. SM was concerned that the current table is volume driven and not factor driven. FC suggested that a delay to Nexus implementation until October 2017 would require a review of the UAG rules to ensure they would work.

FC confirmed that no additional monies would be spent by starting the process at this time as the AUG table required by October 2017 worked initial analysis would be required around this time to meet the date.

FC advised that she would be requesting the Joint Office to reorganise the AUG website pages so that all the information appropriate to a year is in the same folder rather than separated into different sections.

b) Confirmation of items by correspondence since last meeting

i) PAC – nomination of a non-employed User Representative

AP explained that a work around the current rules could be adopted to remove an issue, which would have prevented a candidate from standing. However, it was suggested that a further review of the rules would be needed following experience of their use in the recent appointment process.

SM wanted to see a formal review of the rules sooner rather than later and that it should consider the suitability of candidates. LJ agreed a review is needed but that the review did not need to happen immediately as the PAC is just about to be established for its first year.

SM was still concerned that parties circumstances could change and these should be a factor in the rules so that their membership is reviewed on an ongoing basis.

Members unanimously approved the interim rule change be adopted until a formal review of the Performance Assurance Regime Guidelines was undertaken.

ii) PAC – proposal to increase User Representation to 7 (from 5)

AP explained that there were two issues under this item and that they should be considered separately:

1. Suitability of a party to be a member

SM was concerned that parties could be members without suitable knowledge or skills and this is not what should be happening in the process, he felt that members should be settlement experts.

RF felt this issue would self-police as the industry would vote for the most suitable candidates were there to be more candidates than member places. He suggested that candidates provide a short statement when nominated which could be circulated to the electorate to help them decide who was the most suitable should there be a vote.

FH suggested that the nominating organisation is unlikely to do so if the person is not suitable to be a member as this would not reflect well on their participation in the process.

Members agreed to review the issues at the March 2017 UNCC meeting.

2. Increase membership for Shipper representatives

AP asked for views on the balanced approach to membership when considering the risk to parties and whether a membership of 7 shipper representatives was a suitable cut off point as proposed.

RF was concerned that the request was to increase membership to 7 Shipper representatives because 7 had been nominated this year, what happens if 9 or more nominated next year, would there be a similar request to increase membership?

SM was concerned that suitable candidates should not be turned away, particularly if most of the settlement risk sits with Shippers and not Transporters.

AP suggested that an increase in membership could be checked with a review at UNCC at a later date or an automatic escalation process to UNCC should Transporters consider they have had an additional burden placed on them by PAC.

SM suggested that shippers could have 7 members with 2 being non voting members so that suitable skills and knowledge is retained in the PAC while maintaining the balance in voting arrangements.

AL asked members to note that all interim PAC shipper members were in favour of increasing Shipper members and suggested that Transporter could reduce their representation to maintain the overall numbers. GJ agreed that PAC was predominately a Shipper risk and therefore they should have the numbers they need to manage the associated risks.

AP summarised that members had unanimously agreed that 7 Shipper representatives would be eligible to be PAC members, with 5 being eligible to vote and 2 being non voting (this would be based on the two nominated parties with the lowest votes in the current selection process) – all will need to sign confidentiality letters.

Members agreed that the process should be reviewed at the March 2017 UNCC meeting.

c) UNCC sub-committee update.

AP asked members to note that due to the delay to Nexus implementation, both RdB and Standards of Service sub committees would not cease until Nexus is implemented. Therefore it is proposed that should these committees be required to meet that the role is undertaken by the UNCC.

Members unanimously agreed with this approach.

150.5 Any Other Business

None raised.

150.6 Next Meeting

Thursday 15 September 2016, immediately after the UNC Modification Panel meeting.

Action Table (18 August 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UNC0107	21/07/16	148.4 a)	What is the likely the impact on the AUGE and AUG process due to the deferral of Nexus implementation (pre- and post-Nexus).	Xoserve (RH)	Closed