

Record of Determinations: Panel Meeting 19 June 2014

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Representative	Determination Sought
		SM	AG	AM	PB	RF	CW	EM	JF	JE	RH	CA	
0503 - Update of Transporter Procedure Document references within Network Code	Consideration deferred - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration
0504 - Development of a Demand Side Response Methodology for use after a Gas Deficit Warning	Is related to the Significant Code Review - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Modification is related to Significant Code Review
	Is not a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	Modification should follow Self-Governance Procedures
	DSR Workgroup established - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Establish Demand Side Response (DSR) Workgroup
	Issued to Workgroup 0504 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup 0504
	Workgroup to report by the December 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the December 2015 Panel
0505 - Update to UNC TPD Section G & M to correct anomalies arising from the implementation of UNC Modification 0463S "Recognition of the '2nd January' Scottish Bank Holiday as a Business Day for Supply Point related transactions"	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	Is a Self-Governance Modification - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Modification should follow Self-Governance Procedures
	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to consultation 0505
0445 – Amendment to the arrangements for	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Legal text not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in DMR

Daily Metered Supply Point Capacity	Cost estimate not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in DMR
	Consultation to close out on 18 July - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extended consultation
0466 – Daily Meter Reading Simplification	Returned to Workgroup - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Return to Workgroup
	Workgroup to report by the July 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the July 2014 Panel
0467 - Project Nexus - iGT Single Service Provision; data preparation	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Legal text not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in DMR
	Cost estimate not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in DMR
	Consultation to close out on 18 July - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend consultation
0485 - Introduction of Long-term use-it-or-lose-it mechanism to facilitate compliance with the EU Congestion Management Procedures	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Legal text not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in DMR
	Cost estimate not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in DMR
	Consultation to close out on 10 July - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Shortened consultation
	To be considered at Short Notice at July Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at Short Notice at the July Panel
0489 – EU Gas Balancing Code - Information Provision changes required to align the UINC	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Legal text not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in DMR

UNC Modification Panel

Minutes of the 161st Meeting held on Thursday 19 June 2014 at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
A Green (AG), Total; A Margan (AM), British Gas P Broom (PB), GDF Suez R Fairholme (RF), E.ON UK S Mulinganie (SM), Gazprom	C Warner (CW), National Grid Distribution E Melen (EM), Scotia Gas Networks J Edwards (JE), Wales & West Utilities J Ferguson (JF), Northern Gas Networks R Hewitt (RH), National Grid NTS	Chris Alexander (CA), Consumer Futures

Non-Voting Members:

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

Also in Attendance:

A Raper (AR), National Grid Distribution; H Chapman (HC), Xoserve; K Elliott-Smith (KES), Cornwall Energy and R Fletcher (RF), Secretary.

Record of Discussions

161.1 Note of any alternates attending meeting

A Margan for C Wright (British Gas)
E Melen for A Musgrave (Scotia Gas Networks)
J Edwards for S Edwards (Wales & West Utilities)
S Mulinganie for A Barnes (Gazprom)

161.2 Record of Apologies for absence

A Barnes, A Musgrave, C Wright and S Edwards.

161.3 Minutes and Actions of the Last Meeting(s)

The minutes of the previous meetings (15 May and 06 June) were then accepted.

161.4 Consider New, Non-Urgent Modifications

- a) Modification 0503 - Update of Transporter Procedure Document references within Network Code

RF advised that the reference to Procedure GT3 is an error as it was merged into Procedure GT2 sometime ago. He requested that consideration is deferred so that the modification and legal text can be amended.

For Modification 0503, Members determined:

- Defer consideration.

- b) Modification 0504 - Development of a Demand Side Response Methodology for use after a Gas Deficit Warning

RH introduced the modification and its aims. He advised that the intention is to invite parties to submit comments on the proposed solution via an online survey to gauge the industry views on the best approach.

RF asked if the modification will set out the requirements for the methodology or does the licence set the requirements and obligate the publication of a system methodology statement? RH advised the requirements are set out in licence. RF asked why the modification is required? RH explained that this was further to a previous Panel discussion and that the modification would bring transparency and clarity to the process. In due course the methodology statement will require consultation and the process is to be set out in UNC, which requires a modification to achieve this.

AR advised that it is understood that this modification is related to the Significant Code Review (SCR), however, Ofgem expect the development to continue as it is expected to meet some of the

requirements of the SCR.

For Modification 0504, Members determined:

- The modification is related to the Significant Code Review as it is a related subject to the Gas Deficit Emergency activities;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition or consumers;
- That a Demand Side Response Workgroup should be established;
- The modification be issued to Workgroup 0504 for assessment with a report presented by the December 2015 Panel.

- c) Modification 0505 - Update to UNC TPD Section G & M to correct anomalies arising from the implementation of UNC Modification 0463S "Recognition of the '2nd January' Scottish Bank Holiday as a Business Day for Supply Point related transactions"

EM introduced the modification and its aims. EM advised that text would be provided once the Joint Office has updated the current version of UNC following the implementation of recent modifications. EM indicated that the proposal was recommended to proceed to consultation on the basis that, although correcting an error, it should be confirmed that the change was correct, also that this approach was consistent with a recent similar proposal raised by National Grid NTS.

CW questioned the delay as the text had been approved and the drafting lawyer could refer to the Final Modification Reports to review the changes to the published text.

PB asked what the difference is between the references to Business Day and Systems Business Day. EM explained that Systems Business Day means that the systems work on Scottish Bank Holidays but it wasn't a working day for operational staff.

For Modification 0505, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are met as this modification is not expected to have a material impact on competition or consumers;
- It should proceed to consultation.

161.5 Consider Workgroup Issues

Workgroup Reports for Consideration

- a) Modification 0445 – Amendment to the arrangements for Daily Metered Supply Point Capacity

Following amendment to the text set out in the relevant objectives, Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Legal text is not required for inclusion in the draft Modification Report; and
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 18 July 2014.

b) Modification 0466 – Daily Meter Reading Simplification

Members accepted the recommendations in the Workgroup Report:

- It should be returned to Workgroup;
- The modification be issued to Workgroup 0466 for assessment with a report presented by the July 2014 Panel.

c) Modification 0467 - Project Nexus - iGT Single Service Provision; data preparation

RH asked how it was proposed to allocate costs against Shipperless sites on iGT CSEPs. CW explained that large Transporters were unaware of number of shipperless sites, though it is assumed to be fewer than those encountered by proportion to those on large Transporter networks. CA asked why the costs are not included in Project Nexus overall costs. LJ explained that the proposed process sits outside of UNC as it facilitates the delivery of services to iGTs by the transporters agent and is therefore not included in Project Nexus delivery costs as it is not directly linked to the replacement of UK Link systems.

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Legal text is not required for inclusion in the draft Modification Report; and
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 18 July 2014.

d) Modification 0485 - Introduction of Long-term use-it-or-lose-it mechanism to facilitate compliance with the EU Congestion Management Procedures

CA asked if this modification is impacted by the ongoing discussions about the differences between guidelines and codes in Europe. RH confirmed this modification is not impacted.

RH confirmed the text provided is suitable for inclusion in the Draft Modification Report.

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Legal text is not required for inclusion in the draft Modification Report; and
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 10 July 2014.

e) Modification 0489 – EU Gas Balancing Code - Information Provision changes required to align the UNC with the EU Code

CA was concerned about the funding of this modification, why isn't it User Pays and if allocated by funding, how are the costs being monitored across all the European related modifications. RH explained that it would be difficult to demonstrate User Pays as the full European requirements are not known – it's a case of demonstrating to Ofgem that the costs are efficiently incurred and that the solutions are the optimum when considered against the legal requirements put in place by Europe.

RH confirmed the text provided is suitable for inclusion in the Draft Modification Report.

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Legal text is not required for inclusion in the draft Modification Report; and
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 18 July 2014.

f) Modification 0494 – Imbalance Charge amendments required to align the UNC with the Network Code on Gas Balancing of Transmission Networks

RH confirmed the text provided is suitable for inclusion in the Draft Modification Report.

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Legal text is not required for inclusion in the draft Modification Report; and
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 18 July 2014.

g) ISS 0063 - 0451V 0451AV: Individual Settlements For Pre-Payment & Smart Meters

LJ provided an overview of the interim report from DESC. AM was concerned at the lack of progress for implementation of the new profile.

He wanted to understand why the modification was implemented when the profile was not available at the time?

LJ explained that it is in the Shippers gift to accelerate the process by providing sufficient data to develop the profile. CA asked what Panel can do to help the process? LJ explained that this relates to Shippers providing sufficient information to build the profile and have sufficient confidence that it is accurate and robust.

AM had been made aware of concerns held by smaller Shippers about the uncertainty for accrued costs until any new profiles were available and implemented. LJ clarified that the 0451AV contained profiles that were part of the approval by Ofgem, but with a note that it might be appropriate for industry parties to seek improvements to the profiles, which was what this piece of work was trying to achieve. JF noted that if the profiles can be made more accurate then the accrual should be more accurate at the time it is billed.

Panel requested that DESC provide its final report by the September Panel.

Consideration of Workgroup Reporting Dates and Legal Text Requests:

Members determined unanimously to extend the following Workgroup reporting dates:

Workgroup	Reporting Date
0468 - Unique Property Reference Number (UPRN) Population by Gas Transporters	18 December 2014
0486 - Use of the Pre-Payment Profile For IGTs	21 August 2014
0497 - Introduction of Annual update to the AQ values within the CSEP NExA table	18 September 2014

Members determined unanimously to request Legal text for the following modifications:

Modification
0472 - Reporting the number of registration attempts by a supplier

161.6 Final Modification Reports

- a) Modification 0475S - Update to Section G, Annex G3 (Prospective Erroneous Large AQ Calculation Proforma)

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0475

Members agreed with the Workgroup recommendation that the additional information was supplemental and further consultation was not required.

Members determined by majority vote to implement Modification 0475S.

- b) Modification 0484S - Guidance for the production of legal text

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0484

Members determined there were no new issues raised in consultation responses.

Members determined unanimously to implement Modification 0484S.

161.7 Any Other Business

- a) Review of Panel Voting/Determinations Record (see published example)

LJ provided a plain English version of the determinations record to see if members would prefer to be asked questions in way that is easier to understand and still complies with the Modification Rules.

AR challenged if the rules would need to be changed as the test is subtly different. LJ explained that the approach is to set the question out so that people can understand what is being asked and the outcome derived from the vote answer so that it complies with the requirements in the Modification Rules.

RH asked if the example determinations record could be published as a record of the process proposed and agreed.

Members agreed to adopt the proposed changes to the questions and outcomes to be included in the determinations record.

- b) Code Administrators Code of Practice annual review meeting

BF advised that the Code Administrators Code of Practice requires the adoption of regular review meetings and an annual review process has been agreed by Code Administrators. The next review meeting was planned for around the end of September and he requested that members provide any topics for discussion or items of concern by the next meeting.

Members noted that an up-to-date copy of the CACoP is published on Ofgem's website:

<https://www.ofgem.gov.uk/publications-and-updates/code-administration-code-practice-version-1.1>

AM would like to see a guide to raising modifications adopted by for all Code Administrators.

c) Workgroup Attendance

BF explained that he had been requested to raise the concerns of the Performance Assurance Workgroup (PAWG) participants about the lack of consistent attendance of transporter representatives at Workgroup meetings. This was causing significant concerns, as actions were outstanding. There was a similar issue with Ofgem attendance and response to actions.

JF challenged the concerns as transporters usually had at least one representative at meetings, though they were of the opinion that transporters were not directly impacted by the PAWG requirements.

BF explained that the scope of PAWG included proposed measures on transporters plus consideration of contracting routes for third parties – both of which required level of participation. In addition quoracy required two transporter representatives to be present.

Transporters agreed to discuss the issue offline and consider options to ensure that representatives were available for future meetings, including other workgroups if attendance was a concern.

AR confirmed that Ofgem would be responding to their actions by the next meeting.

d) Panel Chair Selection Process

LJ advised that the recruitment agency was currently shortlisting applicants with interviews planned for early July. It was planned to seek JGAC approval of the preferred candidate soon after, followed by Ofgem approval. Once the candidate had been approved and had accepted the contract, the industry would be notified.

161.8 Conclude Meeting and Agree Date of Next Meeting

10:30 17 July 2014, at the ENA.