

**Uniform Network Code Committee**  
**Minutes of the 159<sup>th</sup> Meeting held on Thursday 18 May 2017**  
**By Teleconference**  
**Attendees**

**Voting Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>
A Green (AG), Total A Love (AL), ScottishPower A Margan (AM), British Gas R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom	C Warner (CW), National Grid Gas Distribution D Lond (DL), National Grid NTS H Chapman (HC), Scotia Gas Networks 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		

**Also in Attendance:**

L Jenkins (LJ), Deputy Chair; M Jones (MJ), SSE; R Fletcher (RF), Secretary; R Hailes (RHa), Joint Office; R Hinsley (RH), Xoserve; and S Britten (SB), Cornwall Energy.

**159.1 Note of any alternates attending meeting**

None

**159.2 Apologies for Absence**

None

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

The Minutes from 20 April 2017 meeting were approved.

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

a) User Representative Appointment Process (for information only)

LJ provided an overview of the process and a number of learning points from the previous User appointment process. He asked members to note that the 2017/18 process would be commencing next week.

b) Proposed amendments to Measurement Errors Process (for information only)

HC provided an overview of proposed changes to the MER process, which was aimed at removing the requirement for two Independent Technical Experts (ITE) required to assess for very large metering errors. It was felt that, where used previously, the process had not worked very well, that it was difficult to administer and that little value was added. The changes had been proposed with a view to seeking comments today, with approval aimed for at the next meeting.

SM suggested that perhaps two ITEs should continue to be used but the energy threshold increased to ensure they were only deployed where a significant industry impact was in question.

AM noted there seems to be a view from Shippers present that the change was not clear cut; should the change be put to a wider industry workgroup for consideration.

AM suggested that a quality gate could be established to manage when two experts are needed so that the full benefit can be identified and achieved.

AL suggested that the ITEs should be asked for their views and perhaps the current list should be reviewed for relevance.

HC thanked members for their comments, and asked for any further comments by email. All comments would be considered before the next meeting.

LJ suggested that the proposed changes should be ratified by an appropriate committee or workgroup before resubmission, with a recommendation on implementation.

c) Consideration of Revised Draft AUG Statement for 2017/18

RHi provided an overview of the AUG Statement (AUGS). She explained that the committee were being asked to approve or to provide an alternative AUGS if they disapproved it.

SM proposed that there should be a formal change to the AUGS to remove shrinkage error and asked that there should be a vote. AM noted he would not support such a change, noting that the AUGS had established its methodology.

AL asked for clarification of shrinkage, is it as defined in Code? SM clarified it is not the same definition used in Code.

Members were asked to vote on whether an alternative AUGS should be approved with the Shrinkage Error removed?

7 Votes in favour – AG, SM, DL, HC, RP, JF, CW

2 Votes against – AM, AL

1 Abstention – RF

The AUGS therefore stands as proposed by the AUGS, as a Unanimous Vote is required for an alternative to supplant it.

d) AUGS proposals regarding potential shrinkage error and allocation of UAG in AUGS

SM advised that ICoSS had submitted a response to the AUGS's response to their previous letter on this topic (see minutes for UNCC meeting 158). In addition, a follow up letter had been sent to advise that ICoSS were not asking for the AUGS to be disapproved but were asking if the UNCC could make an "official communication" to the AUGS to consider the application of Shrinkage Factors in the AUG Table.

SM expressed a number of concerns with the 12 May AUGS meeting arranged by Xoserve, as this was not formally minuted. He had been advised that a summary of the meeting and a list of frequently asked questions would be provided for reference; he did not consider this to be sufficient.

SM was concerned that the AUGS (see item 159.4 (c)) includes factors for Shrinkage Error, which is within the scope of the Transporters via licence and price control. 3 options were presented, which included options for shrinkage. The AUGS was not willing to consider these again without an official communication.

SM discussed what form an official communication could take. It would seem that this could not be from individual Shippers, as parties had already responded to the proposals; it could not be the Shrinkage Forum as this is not formally constituted. In his view, such a communication could potentially come from the UNCC or Transporters.

AP suggested that the UNCC could make a request that the AUGS consider an issue, but could not direct them to do so, as this could be seen as interfering with an independent body.

SM wanted to understand how the AUGS should determine that the shrinkage error identified should not be reconsidered when there appeared to be support to do so, particularly when in previous years it was out of scope. The previous vote on the AUGS indicated that the majority of UNCC preferred a change to the AUGS even though not all supported.

AM noted that a number of Shippers at the 12 May meeting supported the AUGS as proposed. He also noted that the very first draft AUGS (4<sup>th</sup> May 2011) refers directly to “Shrinkage Error”, so the issue is not new.

AL was concerned that parties appeared to want to interfere with the independence of the AUGE, and that it should be left to determine what is needed and maintain its independence. SM disagreed, as he felt this was a Transporter licence issue.

JF noted that there appeared to be no consideration of the Transporter response to the Energy UK report at the Shrinkage Forum, and as this is a licence issue it shouldn't be in scope. AL challenged that Transporters were not present at the AUGE meeting to express this view, therefore it is very late to identify this as an issue for consideration.

SM noted that there were two views in the meeting and that these views would be unlikely to change through further discussion. However, the AUGE had stated they would consider an official communication and he felt it would be appropriate to provide one via the UNCC. AM felt this was not the view from other attendees and that the AUGE had confirmed they had not received an official communication from Transporters advising why Shrinkage should be out of scope.

AM felt that the AUGE methodology has been developed with Shrinkage factors included which feeds into the balancing point established by the methodology/process introduced by Modification 0473.

AL was concerned that any communication needs to be set out to the AUGE as for information only, to avoid being seen as an attempt to instruct or unduly influence the AUGE.

After discussion, AP suggested that, as the UNCC minutes are the public record of the vote taken, these could be shared with the AUGE as necessary and that this could be a way forward. Committee Members concurred with this suggestion.

e) *Amended Uniform Network Code Validation Rules (for information only)*

RH provided an overview and the process to be adopted for their approval. No comments were received.

## **159.5 Any Other Business**

a) None

## **159.6 Next Meeting**

Thursday 15 June 2017, immediately after the UNC Modification Panel meeting.

**Action Table (18 May 2017)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update