

Record of Determinations: Panel Meeting 20 July 2017

In favour	Not in Favour	No Vote Cast	Not Present
✓	X	NV	NP

UNC Modification Panel

**Minutes of the 209th Meeting held on Thursday 20 July 2017
at Elexon, 4th Floor, 350 Euston Road, London NW1 3AW**

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
A Green (AG), Total A Margan (AM), British Gas A Love (AL), ScottishPower M Jones (MJ), SSE R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom	C Warner (CW), Cadent M Hatch (MH), National Grid NTS D Mitchell (DM), SGN J Ferguson (JF), NGN R Pomroy (RP), WWU N Rozier (NR), BUUK Infrastructure	

Non-Voting Members:

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

Also in Attendance:

L Jenkins (LJ), Joint Office; P Garner (PG), Joint Office; R Hailes (RHa), Secretary;
R Hinsley (RHi), Xoserve; S Britton (SB), Cornwall Energy.

Record of Discussions

Introduction

AP welcomed all to the meeting with a special welcome to Penny Garner who will take over as Chief Executive of the Joint Office of Gas Transporters upon Les Jenkins' retirement.

209.1 Note of any alternates attending meeting

M Hatch for D Lond (National Grid NTS)
D Mitchell for H Chapman (SGN)
A Plant for S Horne (Citizen's Advice)

209.2 Record of Apologies for absence

S Horne
D Lond
H Chapman

209.3 Minutes and Actions of the Last Meeting(s)

Members approved the minutes from the previous meeting (15 June) and the Special meeting by teleconference (07 July).

209.4 Consider Urgent Modifications

None.

209.5 Consider New Non-Urgent Modifications

a) Modification 0623 - Governance Arrangements for Alternatives to Self-Governance Modification Proposals

RP introduced the modification which aims to address a situation where a Self-Governance modification with alternatives could end in a situation where none obtain a panel majority and therefore none are implemented. The solution aims to address this by offering an opportunity for reconsideration, whilst still allowing the possibility of non-implementation. The appeal process will not be amended. Governance for modifications with both Self-governance and Authority direction status is also addressed.

For Modification 0623, 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 the UNC Modification Rules;
- That Modification 0623 be issued to Governance Workgroup for assessment, with a report to be presented no later than the 21 December 2017 Panel.

b) Request 0624R - Review of arrangements for Retrospective Adjustment of Meter Information, Meter Point/Supply Point and Address data

CW introduced the request and its aims. A significant component of Modification 0434 (read replacement) has already been implemented. A key element (Retrospective Data updates, known as RAASP) was de-scoped from the Nexus system and has not yet been implemented; a review group is sought to look at the area of Retrospective Data Update implementation. During discussions, several elements were brought out:

- Significant testing of any further functionality is expected to be required.
- Costs already funded need to be taken into account.
- Costs to the consumer must also be taken into account.
- There are costs to Shippers in terms of technical development required.
- The cost of implementation as a standalone function are not the same as when it was included in the larger package.
- A review of costs and benefits will be required. This may need to be done by an independent party.
- A request was made for Xoserve (the CDSP) to prepare a way forward in advance of the first meeting.

Panel requested the workgroup to address in particular those points relating to costs already paid and costs to the customer.

For Request 0624R, Members determined:

- That Request 0624R be issued to a standalone Workgroup for further assessment, with a report to be presented no later than the 18 January 2018 Panel.

209.6 Existing Modifications for Reconsideration

- None.

209.7 Consider Workgroup Issues

- None.

209.8 Workgroup Reports for Consideration

- a) Modification 0570 - Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum.

A brief onscreen review of the draft modification report (DMR) took place. The discrepancy identified at the last meeting between the Solution and the Legal Text had been addressed.

For Modification 0570, Members determined:

- It should proceed to Consultation with a close out date of 10 August 2017.

b) Request 0594R - Meter Reading Submission for Advanced & Smart Metering

Members heard that the workgroup had issued a request for information to industry participants. To ensure confidentiality was maintained, Ofgem had agreed to compile and anonymise the responses. Additional assessment time was required to allow this process to complete and for the workgroup to then consider the output.

For Request 0594R, Members determined that:

- It should be returned to Workgroup 0594R for further assessment, with a reporting expected by the 21 September 2017 meeting.

c) Modification 0615S - Representation on DSC Committees: amendment to include mid-year appointments

For Modification 0615S, Members determined that:

- It should proceed to Consultation with a close out date of 10 August 2017.

209.9 Consideration of Workgroup Reporting Dates and Legal Text Requests

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

Workgroup	New Reporting Date
0619 – Application of proportionate ratchet charges to daily read sites	21 September 2017

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

Modification
0613S – Revised UK Link Manual CDSP Data Services Document

209.10 Consideration of Variation Requests

a) Modification 0593 - Provision of access to Domestic Consumer data for Price Comparison Websites and Third Party Intermediaries.

Panel discussed this variation request in detail, noting the following points:

- The CMA would like Xoserve to confirm progress in addressing this issue.

- The variation could change people's consultation responses; the Privacy Impact Assessment (PIA) would be appended to the report for consultation purposes.
- There was concern over the mechanisms to restrict access to data with respect to privacy requirements, with significant questions remaining as to how Xoserve will satisfy those concerns.
- If the modification were implemented, the DSC governance then allows its implementation to be rated as a high priority change.
- The related iGT UNC modification has different governance arrangements, though parallels could be drawn with previous modifications such as those relating to Smart Metering.

The Chair summarised that Panel were faced with a simple decision; whether to demonstrate active progress and proceed to consultation for this 'permissions' modification now, or whether it was better to have a complete package (including the DSC-related components) that might enable a more-thorough consultation. Panel was agreed in that all parties wanted to make progress and move on, seeking a pragmatic solution but, on balance, a majority believed it was better to await the completion of the DSC activities.

For Modification 0593, Members determined:

- That the Variation Request represented a material impact upon the Solution.

Modification 0593 was therefore deemed to be Withdrawn and replaced by 0593V.

For Modification 0593V, 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 between shippers since it is expected to extend the numbers of consumers who engage in switching;
- Further Legal Text is not required;
- Not to issue it to Consultation at this time;
- To defer further consideration until 17 August Panel meeting.

209.11 Final Modification Reports

- a) Modification 0605S - Amendments to TPD Section K - Additional Methods to Procure and Dispose of Operating Margins Gas

Panel discussion: see the Final Modification Report published at: <http://www.gasgovernance.co.uk/0605>

Members then voted unanimously to implement Modification 0605S.

- b) Modification 0611S - Amendments to the firm capacity payable price at Interconnection Points

Members considered the views on self-governance within the representations, agreeing with the workgroup that it was unlikely that there would be a material impact on either competition between Shippers or on the contractual regime for the transportation of gas through pipes.

Panel discussion: see the Final Modification Report published at:
<http://www.gasgovernance.co.uk/0611>

A majority of panel members then voted in favour of self-governance and subsequently members voted unanimously to implement Modification 0611S.

209.12 Any Other Business

- a) Code Administration Code of Practice (CACoP) – annual review

AP asked whether Members wished to provide any views on this code of practice from the UNC Panel. None were offered. Panel asked Ofgem for clarification on expectations regarding industry engagement in alternative ways of moving forward code governance reform activities without requiring parliamentary time.

- b) DNCMF and NTSCMF Terms of Reference

Subject to a small amendment reducing Transporter representation on NTSCMF to one, members approved the Terms of Reference for these fora.

- c) Workgroup Reporting Dates

Members considered the provided report, which showed the actual elapsed time for all workgroup reports seen by Panel in the 12 months to the end of June 2017. Panel concluded that the report was useful and showed that improvements in workgroup planning were in evidence. External factors had played a part in many of the longer running workgroups, as had modification complexity. Proposers were felt to be becoming more pragmatic.

Panel discussed whether asking long running workgroups to report back to Panel would have merit but decided that this was not needed at this time.

- d) Request Template

Members approved the amended template.

- e) Independent Panel Chair

LJ provided a brief update. Transporters had unanimously ratified the candidate recommended by the cross-industry Advisory Panel. Ofgem approval is awaited. Ideally the new candidate will be able to shadow the incumbent for a period of two months. Robust handover planning is already underway.

209.13 Conclusion of Meeting and agreed Date of Next Meeting

- 10:30, Thursday 17 August 2017, at Elexon

Action Table (20 July 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			(none)		