

Record of Determinations: Panel Meeting 01 March 2019

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought
		AG	DF	GW	MB (GW)	RF	SM (AG)	CW	DL	HC	RP	TS	JCo	JA	EP	
0678G - Amendments to Gas Transmission Charging Regime including a Cost based Optional Capacity Charge	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	NP	X	NP	Is Modification related to Significant Code Review?
	Not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	NP	X	NP	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0678 and to follow the same timeline - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓	NP	Should Modification be issued to Workgroup 0678 and follow the same timeline?
0678H - Amendments to Gas Transmission Charging Regime (Postage Stamp) including a Cost based Optional Capacity Charge	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	NP	X	NP	Is Modification related to Significant Code Review?
	Not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	NP	X	NP	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0678 and to follow the same timeline - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓	NP	Should Modification be issued to Workgroup 0678 and follow the same timeline?
0678I - Amendments to Gas Transmission Charging Regime	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	NP	X	NP	Is Modification related to Significant Code Review?
	Not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	NP	X	NP	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0678 and to follow the same timeline - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓	NP	Should Modification be issued to Workgroup 0678 and follow the same timeline?
0665 - Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ)	Proceed to Consultation, with consultation closing out on 14 March 2019 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓	NP	Should Modification 0665 be issued to Consultation, closing on 14 March and be considered at short notice at the 21 March 2019 Panel?

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Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought
		AG	DF	GW	MB (GW)	RF	SM (AG)	CW	DL	HC	RP	TS	JCo	JA	EP	
Following Vote was undertaken by email on 25 February 2019																
Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought
		AG	DF	GW	MB	RF	SM	CW	DL	HC	RP	TS	JCo	JA	EP	
0678F - Amendments to Gas Transmission Charging Regime – Treatment of Unprotected Entry Capacity Storage - Confirmation of email Vote held on 25 February 2019	Not related to the Significant Code Review - <i>unanimous vote against</i>	NV	NV	X	X	X	X	X	X	X	X	X	X	X	NV	Is Modification related to Significant Code Review?
	Not a Self-Governance Modification - <i>unanimous vote against</i>	NV	NV	X	X	X	X	X	X	X	X	X	X	X	NV	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0678 and to follow the same timeline - <i>unanimous vote in favour</i>	NV	NV	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NV	Should Modification be issued to Workgroup 0678 and follow the same timeline?

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

UNC Modification Panel

Minutes of the 239 Meeting held on Friday 01 March 2019

By Teleconference

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representatives
A Green (AG), Total and alternate for S Mulinganie D Fittock (DF), Corona Energy G Wood (GW), British Gas and alternate for M Bellman R Fairholme (RF), Uniper	C Warner (CWA), Cadent D Lond (DL), National Grid NTS H Chapman (HC), SGN R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks	J Atherton (JA), Citizens Advice

Non-Voting Members:

Chairperson	Ofgem Representative	Independent Supplier Representative
M Shurmer (MS), Chair	J Thompson (JT)	

Also in Attendance:

G Evans (GE), WatersWye; H Bennett (HB), Joint Office; N Wye (NW), WatersWye; P Garner (PG), Joint Office; R Fletcher (RFI), Secretary; S Britton (SBr), Cornwall Insight and S Obeng (SO), Gazprom.

All attendees by teleconference

Record of Discussions

Introduction

MS welcomed all attendees to the meeting and then set out the order of business for this extraordinary meeting.

239.1 Note of any alternates attending meeting

A Green for S Mulinganie (Gaprom)

G Wood for M Bellman (Scottish Power)

238.2 Record of Apologies for absence

E Proffitt (MEUC)
J Cooper (BUUK)
M Bellman (ScottishPower)
S Mulinganie (Gaprom)

238.3 Minutes and Actions of the Last Meeting(s)

The minutes from the previous meeting were not considered.

238.4 Consider New Non-Urgent Modifications

a) Modification 0678F - Amendments to Gas Transmission Charging Regime – Treatment of Unprotected Entry Capacity Storage

MS asked Members to note that's as agreed at 21 February meeting, Modification 0678F voting was undertaken by email and the results are included in these minutes as follows:

For Modification 0678F Members determined:

- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are not met as this Modification is likely to impact competition as it proposes material changes to the Charging Methodology so that it complies with TAR Code, by unanimous vote;
- That Modification 0678F is issued to Workgroup 0678 and is to follow the same timeline where practicable as set out in the Ofgem Decision Letter on Urgency for Modification 0678, by unanimous vote.

b) Modification 0678G - Amendments to Gas Transmission Charging Regime including a Cost based Optional Capacity Charge

NW introduced Modification 0678G, its aims and why it should be considered as an alternative to Modification 0678. He explained as with a number of other proposed alternatives, it aims to achieve compliance with TAR Code and go beyond this by offering further benefits to the industry.

DL noted the solution in the presentation advises the replacement of Optional Capacity Charge with a cost based Optional Capacity Charge, is this an error

NW clarified the modification introduces an Optional Capacity Charge and associated User commitments to replace the current Optional Commodity Charge.

For Modification 0678G Members determined:

- It should be considered at Short Notice;
- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are not met as this Modification is likely to impact competition as it proposes material changes to the Charging Methodology so that it complies with TAR Code, by unanimous vote;
- That Modification 0678G is issued to Workgroup 0678 and is to follow the same timeline as reasonably practicable as set out in the Ofgem Decision Letter on Urgency for Modification 0678, by unanimous vote.

c) Modification 0678H - Amendments to Gas Transmission Charging Regime (Postage Stamp) including a Cost based Optional Capacity Charge

NY introduced Modification 0678H, its aims and why it should be considered as an alternative to Modification 0678.

For Modification 0678H Members determined:

- It should be considered at Short Notice;
- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are not met as this Modification is likely to impact competition as it proposes material changes to the Charging Methodology so that it complies with TAR Code, by unanimous vote;
- That Modification 0678H is issued to Workgroup 0678 and is to follow the same timeline as reasonably practicable as set out in the Ofgem Decision Letter on Urgency for Modification 0678, by unanimous vote.

d) Modification 0678I - Amendments to Gas Transmission Charging Regime

SO introduced Modification 0678I, its aims and why it should be considered as an alternative to Modification 0678.

DL asked if the Modification is correct to specify that implementation is to be the 01 October following the decision date. SO, advised that 01 October in a year directed by Ofgem is intentional to mitigate issues and risks associated with Consumer contract renewals.

RF was concerned about the development of this Modification as it is likely to need significant work, and it will be extremely challenging to get Legal Text produced without an extension to the current Workgroup 0678 timeline.

MS noted there can be no presumptions on an extension to Workgroup 0678 and the current timeline would need to be adhered to.

SO noted that the detailed business rules are in development following discussions with Xoserve, noting that the Modification would describe how the change would work and would not write the Legal Text or System solution.

RF asked if DL can provide Legal Text for this Modification in time for the Workgroup Report to be concluded? DL was concerned about the potential questions of and a changing Modification which would impact development of Legal Text.

RF noted that his vote was in favour of progression to Workgroup 0678. However, this was caveated by the fact he felt there was insufficient time left in the Workgroup timeline for this Modification to be fully assessed.

DL had similar concerns including this Modification unlike the others, fixed an implementation date to 01 October.

For Modification 0678I Members determined:

- It should be considered at Short Notice;
- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are not met as this Modification is likely to impact competition as it proposes material changes to the Charging Methodology so that it complies with TAR Code, by unanimous vote;
- That Modification 0678I is issued to Workgroup 0678 and is to follow the same timeline as reasonably practicable as set out in the Ofgem Decision Letter on Urgency for Modification 0678, by unanimous vote.

238.5 Workgroup Reports for Consideration

a) Modification 0665 - Changes to Ratchet Regime

GE explained the recent amendments to the Modification and how this featured in the business rules. He advised that there is an implementation pressure and systems impact to have the new process in place for 2019/20 Gas Year.

HC advised that the Legal Text is to be amended and that revised Legal Text should be available by Monday. However, she would support the Modification being issued to consultation. CW agreed with this approach as the changes were minor.

HC noted that time critical modifications need to be managed more effectively where Workgroup meetings should be brought forward sooner and perhaps prioritised. RP noted this was an aspect of the Governance Workgroup discussions.

For Modification 0665, Members determined:

- It should be issued to consultation with a close out date of 14 March 2019 and considered at Short Notice at 21 March 2019 Panel, by unanimous vote.

238.6 AOB

a) Panel Chair Letter to Ofgem concerning Workgroup 0678

MS advised that he had written to Ofgem to express concerns about the time available to Workgroup 0678 to do a full assessment for each of the Modifications, review Legal Text and consider compliance with TAR Code. He noted that Ofgem needed to balance these concerns against the timeline for Urgency of the Modification. He had requested Ofgem consider amending the timeline for Workgroup 0678 set out in their decision letter confirming Urgency.

PG advised that Ofgem had raised some concerns about the process followed to date and that the Workgroup should manage the process to ensure the objectives were met. JT advised that Ofgem were seeking a revised plan and approach and would then consider options for discussion at a meeting the following week.

RP noted the significant commercial impacts of these Modifications and that the number of alternatives highlighted the industry concerns. He highlighted that Ofgem have the powers to manage the process differently but have chosen not to. DF noted the potential consumer impacts which need to be considered fully. JA felt the process could have been run differently and with the experience of Modification 0621 it is no surprise the process had evolved in a similar way to the previous year's experiences and problems.

MS asked JT to rely the Panel concerns back to Ofgem and in particular the experiences of the previous year with Modification 0621. JT noted the concerns and that following receipt of the proposed timetable they expected to have a useful meeting with MS and PG the following week.

PG requested Members to note that at least one other Alternative Modification is being prepared and it is likely a similar process to that used for Modification 0678F would be used.

Members confirmed this approach would be beneficial.

238.7 Date of Next Meeting

- 10:30, Thursday 21 March 2019, at Elexon.

Action Table (21 February 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAN 01/02	21/02/19				Pending