

**Record of Determinations: Panel Meeting, 09 December 2011**

Modification	Vote Outcome	Shipper Voting Members				Transporter Voting Members					Determination Sought
		AG	CH	CWr	RF	CWa	JF	JM	RHe (CWa)	ST	
Urgent Modification 0405 - Bottom Stop SOQ Appeal Mechanism for 2011/12	Implementation recommended - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to recommend implementation
Modification 0398 - Limitation on Retrospective Invoicing and Invoice Correction (3 to 4 year solution)	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 on 09 January 2012 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend consultation to 09 January 2012

<b>KEY</b>	In favour	Not in Favour
	✓	X

**Attendees**

**Voting Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representative</b>
A Green (AG), Total C Hill (CH), First Utility C Wright (CWr), British Gas R Fairholme (RF), E.ON UK	C Warner (CWa), National Grid Distribution and alternate for R Hewitt, National Grid NTS J Ferguson (JF), Northern Gas Networks J Martin (JM), Scotia Gas Networks S Trivella (ST), Wales & West Utilities	

**Non-Voting Members:**

<b>Independent Suppliers' Representative</b>	<b>Ofgem Representative</b>	<b>Chairman</b>
		T Davis (TD), Joint Office

**Also in Attendance:**

A Raper, National Grid Distribution (AR) observer, B Fletcher (BF), Panel Secretary, D Ianora (DI), Ofgem and A Charalambous, RWE Npower (AM) observer.

## Record of Discussions

### 119.1 Note of any alternates attending meeting

C Warner for R Hewitt (National Grid NTS) and J Martin for A Gibson (Scotia Gas Networks)

### 119.2 Record of Apologies for absence

P Broom (GDF Suez), A Gibson, R Hall (Consumer Focus) and R Hewitt

### 119.3 Consider Final Modification Reports

- a) Urgent Modification 0405 - Bottom Stop SOQ Appeal Mechanism for 2011/12

The Panel Chair summarised that the modification is seeking to reinstate arrangements that allow DM customers to reduce Supply Point Capacity to an amount below the Bottom-Stop Supply Point Capacity. Transitional arrangements to implement this were introduced by Modification 0275, but expired in 2010. Modification 0405 seeks to reinstate this for the current Gas Year only, and would help to ensure that capacity bookings continue to accurately reflect prospective consumption, and potentially avoid some DM customers disconnecting from the network.

Members recognised that if any DM customers were to disconnect from the network, this could lead to under-utilisation of the network. Providing an alternative which incentivises remaining connected and encourages system utilisation would therefore be consistent with facilitating economic and efficient operation of the system.

Members also noted that capacity bookings that more accurately reflect future use would be expected to lead to more appropriate allocations of costs between system users, reflecting network utilisation. Appropriate cost allocations avoid inappropriate cross subsidies and facilitate the securing of effective competition between Shippers.

Members suggested that, if directed, implementation of this modification is an interim measure for 2012 and that enduring options for post 2012 should be pursued.

TD indicated that, while offering apologies for absence, P Broom had provided a written view recommending that the modification be implemented. Members then voted unanimously in favour of recommending implementation of Modification 0405.

#### **119.4 Consider Workgroup Reports**

- a) Modification 0398 - Limitation on Retrospective Invoicing and Invoice Correction (3 to 4 year solution)

Members accepted the Workgroup Report.

Following discussion, Members determined Modification 0398:

- should proceed to consultation with a close out date of 09 January 2012;
- that legal text is not required for inclusion in the draft Modification Report; and
- that a cost estimate is not required for inclusion in the draft Modification Report.

#### **119.5 Any Other Business**

TD drew attention to Ofgem's letter regarding implementation of the European Union Third Energy Package. Members confirmed they were willing to consider the item at short notice on 15 December. ST requested that Ofgem provide an overview of the licence changes at the meeting, and DI agreed to endeavour to address this.

#### **119.6 Conclude Meeting and Agree Date of Next Meeting**

10:30 15 December 2011, at the ENA.