

UNC Workgroup 0448 Minutes
Aligning UNC with Licence Conditions relating to European
legislative change and Fast track self-governance
Thursday 02 May 2103
Energy Networks Association, 52 Horseferry Road, London
SW1P 2AF

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Antony Miller	(AM)	Centrica Storage
Charles Ruffell	(CR)	RWE Npower
Chris Hill	(CH)	Cornwall Energy)
Chris Shanley	(CS)	National Grid NTS
Chris Wright	(CW)	Centrica
Erika Melen	(EM)	Scotia Gas Networks
Ewan Thorburn	(ET)	Ofgem
Gerry Hoggan	(GH)	ScottishPower
James Thomson	(JT)	Ofgem
Jeff Chandler	(JC)	SSE
Joel Martin	(JM)	Scotia Gas Networks
Julie Cox	(JCx)	Energy UK
Lisa Martin	(LM)	Ofgem
Mark Dalton	(MD)	BG Group
Mark Freeman	(MF)	National Grid Distribution
Matthew Hatch	(MH)	National Grid NTS
Mike Wassell	(MW)	National Grid NTS
Nick Wye	(NW)	Waters Wye Associates
Phil Broom	(PB)	GDF Suez
Rhys Ashman	(RA)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK
Richard Lea	(RL)	Gazprom
Sean McGoldrick	(SM)	National Grid NTS
Shelley Rouse	(SR)	Statoil
Steve Pownall	(SP)	National Grid NTS

Copies of all papers are available at: www.gasgovernance.co.uk/0448/020513

The Workgroup Report is due to the UNC Modification Panel on 20 June 2013.

1.0 Review of Minutes (04 April 2013)

The minutes were accepted.

2.0 Discussion and Review of Legal Text

The modification had been revised and aligned to reflect the requirements of the Code Governance Review final proposals. SM explained the scope had been expanded to provide more detail on the fast track self governance element; further information was awaited from Ofgem before this part could be completed (details of the Licence change will be published in May). TD suggested that more detail was required in the “Solution” to facilitate the writing of the legal text. SM indicated he would add further supporting detail.

Legal text had been included in the revised modification to support the alignment of the UNC to Licence conditions. Questions were raised regarding the Licence change (when implemented, how it got into the Licence and what the actual 3rd Package requirement is that needed to be addressed) as those present had no recollection of any details, and there were concerns that the modification may in fact be going beyond the requirements of EU legislation. TD referred the Workgroup to “Statutory Instrument 2011 2803” that contained the words that went into the Licence.

A number of other concerns were expressed – would a modification raised by Ofgem follow the ‘usual’ UNC process; would there actually be any appetite to use the process; there appeared to be no formal right of appeal for these types of modifications; an author could expand the scope of such a modification to encompass all sorts of things (‘scope creep’); should it not be evident that any such modification should relate to EU law in its entirety, with an Authority opinion stating this, in order for it to be able to follow this ‘individual’ process? Checks and balances needed to be very evident to address any perceived expansion of powers.

Legal Text

The legal text provided in the revised modification was reviewed and discussed. There were a number of comments regarding interpretation. TD pointed out that there were a number of issues with the text as drafted in respect of what inferred ‘powers’, existing and future, it believed the Authority to be in possession of. Some parts required clarity and some were unnecessary. It was suggested that Ofgem should explain how it thinks this would work in practice, as there are no existing powers for direction to be given to the Panel, which is not regulated by Ofgem.

Action 0448/0501: Ofgem to explain how it thinks the modification/legal text would work in practice.

There was no provision for a different process for this type of modification, unless some form of interception could be provided. Concerns were raised that a ‘Fast track process’ seems to short-circuit the ‘normal’ process, and it does not work with the rest of the Modification Rules.

The text as currently drafted did not deliver what was intended by the details of the modification. It required revision so that it worked within the Modification Rules and delivers the intent of the modification. Noting that it was proposed that this should be submitted to the July UNC Modification Panel for decision, TD pointed out that, for the modification in its current form, that may not be achievable. He suggested splitting the modification into two separate proposals; otherwise National Grid NTS would be risking its timetable.

3.0 Workgroup Report

Provided legal text is provided in sufficient time to allow preparation of a draft Report, this will be considered at the next meeting.

Next Steps

National Grid NTS will consider revisions to the modification and the legal text in light of comments/suggestions made.

4.0 Diary Planning

The next Workgroup meeting will take place on Thursday 06 June 2013, at the Energy Networks Association, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF.

Action Table – Workgroup 0448

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0448/0501	02/05/13	2.0	Ofgem to explain how it thinks the modification/legal text would work in practice.	Ofgem (LM/JT)	Pending