

Record of Determinations: Panel Meeting 18 February 2016

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Voting Member	Determination Sought
		SM (AG)	AM	AL	RF	SM	CW	DM	JF	MH	RP	SMo	
0570 - Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum	Is not related to the Significant Code Review - <i>unanimous vote against (votes from previous consideration at December 2015 meeting)</i>	X	X	X	X	X	X	X	X	X	X	NP	Modification is related to Significant Code Review
	Is not a Self-Governance Modification - <i>majority vote against (votes from previous consideration at December 2015 meeting)</i>	X	X	X	X	X	✓	X	✓	X	✓	NP	Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0570 with a report presented by the May 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup 0570 with a report presented by the May 2016 Panel
0574 - Creating the permission to release supply point data to the Theft Risk Assessment Service (TRAS)	To be considered at short notice - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at short notice
	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0574 with a report presented by the April 2016 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup 0574 with a report presented by the April 2016 Panel
0520.0520A - Performance Assurance	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR

0520 0520A - Performance Assurance Reporting	Cost estimate not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 10 March 2016 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0520(A) consultation end on 10 March 2016? (and therefore be taken at short notice at March Panel)
0550 - Project Nexus: Incentivising Central Project Delivery	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 10 March 2016 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0550 consultation end on 10 March 2016? (and therefore be taken at short notice at March Panel)
0568 - Security Requirements and Invoice Payment Settlement Cycle for the Trading System Clearer	Proceed to Consultation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 10 March 2016 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0568 consultation end on 10 March 2016? (and therefore be taken at short notice at March Panel)
0572 - Amendment to the definition of AUG Year within UNC TPD Section E	Legal Text requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal Text

0551 - Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16	0551 Final Modification Report returned to Ofgem - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0551 be returned to Ofgem
0569S - Removal of the minimum security requirement from the Energy Balancing Credit Rules	No new issues identified - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implemented - <i>with a majority vote in favour</i>	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	Should Modification be implemented (only votes in favour recorded)
0573 (Urgent) - Project Nexus – deferral of implementation of elements of Retrospective Adjustment arrangements	No new issues identified - <i>unanimous vote against</i>	x	X	X	X	x	X	X	X	X	X	X	Did consultation raise new issues
	Implementation recommended - <i>with a majority vote in favour</i>		✓	✓	✓		✓	✓	✓	✓	✓	✓	Should Modification be implemented (only votes in favour recorded)

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

UNC Modification Panel

Minutes of the 186th Meeting held on Thursday 18 February 2016 at Elexon 350 Euston Road, London NW1 3AW

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
A Love (AL), ScottishPower A Margan (AM), British Gas R Fairholme (RF), Unipur S Mulinganie (SM), Gazprom and alternate for A Green	C Warner (CW), National Grid Distribution D Mitchell (DM), Scotia Gas Networks J Ferguson (JF), Northern Gas Networks M Hatch (MH), National Grid NTS R Pomroy (RP), Wales & West Utilities	S Moore (SMo), Citizens Advice

Non-Voting Members:

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

Also in Attendance:

H Chapman (HC), Xoserve; K Elliott-Smith (KES), Cornwall Energy; L Jenkins (LJ), Joint Office; N Pitts (NP), National Grid NTS; R Fletcher (RF), Secretary; R Wigginton (RW), Wales & West Utilities and S Pearce* (SP), RWE npower.

* via teleconference

Record of Discussions

186.1 Note of any alternates attending meeting

A Love (ScottishPower) for P Broom (Engie)
D Mitchell for A Musgrave (Scotia Gas Networks)
M Hatch for F Healey (National Grid NTS)
S Mulinganie (Gazprom) for A Green (Total)

186.2 Record of Apologies for absence

A Green
A Musgrave
F Healey
P Broom

186.3 Minutes and Actions of the Last Meeting(s)-

Members approved the minutes from the previous meeting (21 January 2016).

186.4 Consider Urgent Modifications

None.

186.5 Consider New Non-Urgent Modifications

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

AL introduced the modification and its aims.

AP noted that Workgroup 0564R had requested that this modification be issued to Workgroup for assessment to aid finalising the discussion for Request 0564R.

AP advised that members had previously voted on the Significant Code Review and Self Governance criteria at the 17 December 2015 meeting and that the vote today was to establish if the modification should be issued to Workgroup and if so the reporting date.

AM asked if the modification was to include extending Must Reads in its scope? AL confirmed Must Read provisions were not in scope.

AP suggested and Panel agreed that the Workgroup be requested to consider how meters that are not read within a Year are managed the following year i.e. not rolled forward again.

For Modification 0570, Members determined:

- Is not related to the Significant Code Review (*vote taken at December 2015 Panel*);
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition and consumers (*vote taken at December 2015 Panel*);

- That Modification 0570 is issued to Workgroup 0570 for assessment, with a report to be presented no later than the May 2016 Panel.

b) Modification 0574 - Creating the permission to release supply point data to the Theft Risk Assessment Service (TRAS)

SP gave an overview of the reasons why the modification had been raised followed by an introductory presentation explaining the modification content.

AM asked if there was an equivalent modification raised in electricity Codes? SP advised that a modification was not needed in electricity as TRAS was given access to data through an existing process.

JF suggested and Panel concurred that it would be helpful for the Workgroup to review each individual data item for permissions and not on a global basis, as a permissions change may not be required for each item. In addition an alternative non Code solution may be an option for some or all data items.

SMo requested that consumers be notified or advised that their data is being made available, to another non Code party. JF agreed with this principle, as TRAS is a commercial arrangement and not a regulatory requirement.

SM expressed the view that data protection should not be used as an excuse to protect consumers who may be stealing, as this is not the intention of the Data Protection Act. However, each data item should be scrutinised for its relevance and need.

MH wanted clarification on types of Supply Points included in scope as inclusion of Unique Sites would be difficult, as they don't have MPRNs.

JF advised that SPAA had previously concluded that DES data could be provided, however Transporters had challenged this view, as it is Shipper and not Supplier data, so DES data could not be used.

AL suggested and Panel agreed that the Workgroup should consider non-disclosure agreements and their associated costs as this could be significant when considering the scope.

HC advised that Xoserve could develop a service offering, once the proposer has defined what is needed.

For Modification 0574, Members determined:

- To be considered at short notice;
- Is not related to the Significant Code Review;
- The criteria for Self-Governance are met as this modification is not expected to have a material impact on competition and consumers;
- That Modification 0574 is issued to Workgroup 0574 for assessment, with a report to be presented no later than the April 2016 Panel.

186.6 Existing Modifications for Reconsideration

None

186.7 Consider Workgroup Issues

None for discussion.

186.8 Workgroup Reports for Consideration

a) Modification 0520 0520A - Performance Assurance Reporting

LJ advised that the PARR schedule and cost estimate for Modification 0520A had been amended following discussions at the last meeting.

Members then determined that Modifications 0520 0520A:

- Should proceed to Consultation;
- Further legal text is not required for inclusion in the draft Modification Report;
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 10 March 2016 (*and therefore be taken at short notice at March Panel*)

b) Modification 0550 - Project Nexus: Incentivising Central Project Delivery

LJ asked whether this modification could be setting precedents as there were no similar arrangements in other industry Codes; should respondents be asked for views? It was agreed this question should be included in the consultation template.

MH asked if Modification 0573 impacts this modification. CW confirmed it wasn't impacted as the delivery of arrangements included in Modification 0434 was out of scope of this modification.

Members then determined that Modifications 0550:

- Should proceed to Consultation;
- Further legal text is not required for inclusion in the draft Modification Report;
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 10 March 2016 (*and therefore be taken at short notice at March Panel*)

c) Modification 0568 - Security Requirements and Invoice Payment Settlement Cycle for the Trading System Clearer

MH challenged what relevance this modification has to EU legislation and regulations, therefore its reference to furthering Relevant Objective g). RF agreed with this view.

By contrast, RP felt it was clear that the Relevant Objective was furthered as the modification helps compliance with an EU regulation.

Specific views were sought on whether this furthered compliance with EU legislation and Relevant Objective g).

AL asked if there were a risk that the reduced payment period referenced in the modification would not be agreed in time for implementation. LJ explained that if agreement were not reached then standard terms would apply and the proposer was aware of this and had initially suggested standard payment terms.

Members then determined that Modifications 0568:

- Should proceed to Consultation;
- Further legal text is not required for inclusion in the draft Modification Report;
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 10 March 2016 (*and therefore be taken at short notice at March Panel*)

Consideration of Workgroup Reporting Dates and Legal Text Requests

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

Workgroup	New Reporting Date
None	

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

Modification
0572 - Amendment to the definition of AUG Year within UNC TPD Section E

186.9 Consideration of Variation Requests

None for discussion.

186.10 Final Modification Reports

- a) Modification 0551 - Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0551.

Members determined unanimously to return the Final Modification Report to Ofgem.

- b) Modification 0569S - Removal of the minimum security requirement from the Energy Balancing Credit Rules

AP opened the discussion on this item by stressing the importance of the role of panel members in assessing this and other modifications in relation to how they may further the long-term effective operation the sector, facilitate effective competition, and bring benefits to consumers. The original intention of the modification to facilitate entry should be kept in mind, and the specific issues relating to the change in the EBCC rules whilst the modification was “in-flight” should not detract from the consideration of the overall merits or otherwise of the modification.

JF was concerned that the EBCR are rules that sit outside of Code and for consistency they should be included in Code. This had been undertaken as part of the review for DNO credit arrangements and would aid consistency. This issue should be addressed to give further clarity that an ancillary document is not be driving the process and overwriting provisions in Code.

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0569.

Members determined by unanimous vote to implement Modification 0569S.

- c) Modification 0573 (Urgent) - Project Nexus – deferral of implementation of elements of Retrospective Adjustment arrangements

RE advised that Ofgem anticipated interim arrangements would be provided at some point in the near future to set out transition from current arrangements to Nexus arrangements for the period between 01 October 2016 and 01 October 2017, however this wont impact Ofgems consideration of this modification.

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0573.

Members determined by unanimous vote to recommend implementation of Modification 0573.

186.11 Any Other Business

a) Panel Meeting Locations

BF advised that meeting dates in September and December 2016 could not be accommodated at Elexon and offered a number of options such as moving the meeting date or holding the meetings at Energy UK.

SM offered to check if Gazprom had meeting rooms available that could accommodate Panel for these meetings.

b) Designated Person

AM provided a paper explaining the designated person role for nominating Shipper and Supplier representatives to Panel and other UNC committees. This was currently undertaken by the Gas Forum, which has confirmed it is to cease operating soon and would not be able to undertake the 2016/17 nominations/elections.

The paper explained the options considered and its preference for the Joint Office to administer the process.

AM asked if Ofgem was considering the appointment of a designated person, as this could be done without a modification. However, at some point in the future a modification may be needed to set out the candidate selection criteria.

RE advised that their current thinking is that they would appoint the Joint Office in line with other Code Administrators and CACoP – they did not think this process to be overly onerous.

AL asked if the process could be managed quickly as the Performance Assurance Committee needs to be established soon and it is likely that members would need to go through an election process of some kind.

RF gave an overview of the Gas Forum process and the Single Point of Contact (SPOC) in Shipper organisations is key to all communications for the process.

Members agreed any governance process for such arrangements would require modifications to establish the selection criteria formally and to clearly set out the process to be adopted. Any UNC obligations would need to be placed on Transporters who may be able to discharge these through the Joint office.

186.12 Conclusion of Meeting and agreed Date of Next Meeting

10:30, Thursday 17 March 2016, at the Elexon.