Agenda: Meeting Details: Teleconference: Documentation at: Pre-Modification Panel Briefing 13:00, 14 December 2015 0207 950 1251, access code 21870295# http://www.gasgovernance.co.uk/panel/171215

Dear Colleague,

Please note that we will be hosting a pre-Modification Panel briefing by teleconference starting at **13:00 on Monday 14 December 2015**. Discussions will be based on the Modification Panel agenda (<u>http://www.gasgovernance.co.uk/panel/171215</u>).

This pre-Panel briefing is intended to provide, in particular, an opportunity for smaller parties, including customer representatives as well as smaller Shippers and Suppliers, an opportunity to feed views into the modification process at critical stages. We therefore expect to focus on new Modifications and those on which the Panel will debate whether or not implementation is supported. Similar teleconferences are held on the Monday prior to each monthly Modification Panel meeting (third Thursday of the month). Any views on which information would be most helpful to you, or on the time and format of the teleconference, would be welcome.

Modifications that are on this month's Panel agenda are:

New Modifications

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

Proposed by Locus Energy

This modification proposes that balancing credit requirements be determined for each User solely on the basis of the formula currently contained within Section 2.1 of the Energy Balancing Credit Rules and which is based on each User's individual throughput. This means that the arbitrary £10,000 minimum security requirement be removed from the Energy Balancing Credit Rules.

The Proposer is not seeking self-governance status for this modification.

http://www.gasgovernance.co.uk/0569

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

Proposed by Scottish Power

This modification proposes to create a condition in the UNC to correspond with the requirement on Suppliers under the Supply Licence (SLC 21B.4) to take a meter reading at least once every year for billing purposes. In the case of the UNC this would be for use within gas industry settlement.

The Proposer is not seeking self-governance status for this modification.

http://www.gasgovernance.co.uk/0570

Implementation Recommendations

Modification 0504 – Demand Side Response (DSR) Methodology Implementation

This proposal seeks to implement the DSR methodology as required by the transporter Licence Special Condition 8I, introducing an additional 'route to market' through which Consumers can receive a payment for voluntarily reducing demand when a Gas Deficit Warning (GDW) is issued.

Following a trial during July 2015, a DSR trial report was issued to Ofgem highlighting that no changes were needed to the draft methodology published in May 2015. On 21 September 2015 the Authority directed National Grid NTS to implement the DSR Methodology. Modification 0504 inserts the relevant transporter and shipper obligations from the Methodology into Code.

The consultation for this modification closes on Thursday 10 December; responses will be highlighted on the call on Monday.

Panel members will be asked whether consultation responses have raised any further new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend implementation.

http://www.gasgovernance.co.uk/0504

Self-Governance Implementation

Modification 0522S – Governance of the use of email as a valid UNC Communication

This modification proposes business rules to ensure that appropriate assurance is in place to be satisfied that communication between parties can be successfully achieved when email is used as the communication method.

The consultation for this modification closes on Thursday 10 December; responses will be highlighted on the call on Monday.

Panel members will be asked whether consultation responses have raised any new relevant issues that should be assessed by the Workgroup or, if not, whether the modification should be implemented.

http://www.gasgovernance.co.uk/0522

I hope this summary is helpful.

Regards,

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UNC related documents can be accessed via our website: www.gasgovernance.co.uk