

Record of Determinations: Panel Meeting 17 May 2018

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought	
		AG	AL	CZ	GW	RF	SM	CW	DL	HC	JF	RP	NR	JA	EP		
0656 - Changes to Modification Panel arrangements	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Is not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0656 with a report presented by the 19 July 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the 19 July 2018 Panel?
0657 - Adding AQ reporting to the PARR Schedule reporting suite	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0657S with a report presented by the 16 August 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the August 2018 Panel?
0621A to L - Amendments to Gas Transmission Charging Regime	Proceed to Consultation, with consultation closing on 22 June 2018 - <i>majority vote in favour</i>	X	X	X	X	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	X	Should Modification 0621 be issued to consultation, ending on 22 June 2018 (includes a deemed request for Legal Text)?
	Ofgem questions be included in the Consultation Template? - <i>majority vote in favour</i>	X	NV	X	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	X	Should Ofgem's questions be included in the Consultation Template?
	Final Modification Report to be considered at an extraordinary Panel Meeting during July 2018 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should the Final Modification Report be considered at an extraordinary Panel Meeting during July 2018?
0639R - Review of AUGE Framework and Arrangements	Returned to Workgroup 0639R for further Assessment with a report presented by 16 August 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Request 0639R be returned to Workgroup for further Assessment?
0641S - Amendments to Modification 0431 - Shipper/Transporter - Meter Point Portfolio	No new issues were identified during Consultation - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Were new issues identified during Consultation?

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		AG	AL	CZ	GW	RF	SM	CW	DL	HC	JF	RP	NR	JA	EP		
Reconciliation rules and obligations	Modification 0641S to be implemented - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0641S be implemented?
0645S - Amending the oxygen content limit in the Network Entry Agreement at South Hook LNG	No new issues were identified during Consultation - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Were new issues identified during Consultation?
	Modification 0645S to be implemented - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0645S be implemented?
0648S - End dating the revised DM Read estimation process introduced by Modification 0634	No new issues were identified during Consultation - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Were new issues identified during Consultation?
	Modification 0648S to be implemented - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0648S be implemented?

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

UNC Modification Panel

Minutes of the 221 Meeting held on Thursday 17 May 2018

at Elexon, 4th Floor, 350 Euston Road, London NW1 3AW

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representatives
A Green (AG), Total A Love* (AL), Independent C Ziviani (CZ), Corona Energy G Wood (GW), British Gas R Fairholme (RFa), Uniper S Mulinganie (SM), Gazprom	C Warner (CWa), Cadent D Lond (DL), National Grid NTS H Chapman (HC), SGN J Ferguson (JF), NGN R Pomroy (RP), WWU N Rozier* (NR), BUUK Infrastructure	E Proffitt (EP), MEUC J Atherton (JA), Citizen's Advice

Non-Voting Members:

Chairperson	Ofgem Representative	Independent Supplier Representative
M Shurmer (MS), Chair	R Elliott (RE)	K Nundloll (NA) Electralink

Also in Attendance:

C Friel (CF), Ofgem; C Ruffell (CF), RWE; C Williams (CWi), National Grid; E Smith (ES), Xoserve; J Welch* (JW), Npower; J Chandler (JC), SSE*; J Cox* (JCo), Energy UK; M Bellman (MB), ScottishPower; P Garner (PG), Joint Office; R Fletcher (RHl), Secretary; R Hailes (RHa), Joint Office; R Hinsley (RHl), Xoserve and S Britton (SBr), Cornwall Insight

* by teleconference

Record of Discussions

Introduction

MS welcomed all attendees, introduced the meeting and then set out the order of business. MS reiterated the need for Members to focus on Panel business and to remain both courteous and professional at all times. He also paid tribute to the hard work of the Joint Office in preparing the collateral for Modification 0621 and its many alternatives.

224.1 Note of any alternates attending meeting

C Ziviani for E Wells, Corona Energy
G Wood for A Margan, British Gas
J Atherton for S Horne, Citizens Advice
K Nundloll for N Anderson, Electralink

224.2 Record of Apologies for absence

A Margan
E Wells
N Anderson
S Horne

224.3 Minutes and Actions of the Last Meeting(s)

SM requested an amendment to the item **221.4 a)** of the 19 April Panel Minutes and this amendment was supported by a number of Members.

“Ofgem stated they were minded to reject all of the Urgent UIG modifications subject to undertaking a consultation and Impact Assessment.” **Amendment Accepted.**

RE requested an amendment to the item **221.5 a)** of the 19 April Panel Minutes as follows:

*‘NS confirmed that no decision had been made on a Regulatory Impact Assessment (RIA) as it should be down to the Workgroup to assess the impacts **against the relevant objectives fully in the first instance.** AL was concerned that the Workgroup can’t make a full assessment as they won’t have the required commercial information. NS wanted evidence for why Ofgem needed to consider undertaking a RIA. **NS noted the importance of robust analysis on the impacts on the relevant objectives to be included as part of the workgroup process to inform the industry consultation and such that the Panel can make an informed decision prior to submitting its recommendation to Ofgem’.** **Amendment Accepted***

Members then approved the minutes from the previous meetings on 19, 24 and 25 April 2018.

224.4 Consider Urgent Modifications

a) None

224.5 Consider New Non-Urgent Modifications

a) Consideration of Self-Governance criteria

CWa provided a presentation on the Self Governance criteria and the guidance provided to proposers by Panel. He had been concerned at the voting outcomes at the previous Panel meetings, as this appeared to be at odds with the advice being given to proposers and he wanted to seek Members views.

KN asked if the assessment is against the number of modifications which became Authority Direction after originally being determined as Self-Governance. CWa advised that there are a number of scenarios to consider not just status change as he felt the number of Self-Governance modifications was decreasing.

CWa asked Members to consider if the number of Self-Governance modifications was as they expected, particularly as the default status is considered to be Self-Governance unless a material impact is identified. SM suggested that this should be led by the Panel Chair as they should ask for views prior to the vote being taken and this should then draw out Members views.

RFa was concerned that there might be a risk of holding the Workgroup discussion at Panel if the test was too encompassing and in most cases, Panel would be requesting Workgroup to provide a recommendation or view on the modification status. RP felt the criteria should be tested by Panel expressing a view on what is being requested by the Proposer and that they should be more challenging in seeking evidence that the change was material.

SM was concerned that the process could become too forced and very bureaucratic, when this was an initial view being tested by Members which would then be verified by Workgroup and/or consultation.

MS noted the Proposer sets their assumptions in the modification based on consideration of Panel guidance and discussions with the Joint Office. It should be down to Members to raise any concerns they may have with the proposer's recommendation during the Panel discussion.

RE felt that UNC seems to be one of the more proactive Codes in progressing Self-Governance modifications. However, materiality is the real test and statistics are difficult to judge as the criteria is subjective and modifications can change during development.

AL felt that it would be a useful exercise for Panel to test the criteria against item c) Modification 0657 below as the Proposer has suggested a material impact although this felt like a good example of a Self-Governance modification. In addition, it should be recognised that numbers are subjective and it depends what the issues are being discussed in the market at the time.

DL agreed with this view as he noted that there were a number of material modifications in progress which had multiple alternatives proposed, and these might be distorting the view of the number of Self-Governance modifications.

KN offered to provide a view from DCUSA/SPAA if it would help as a comparison. PG suggested this could be managed by review the information on statics provided through the CACoP survey.

b) Modification 0656 - Changes to Modification Panel arrangements

MS noted the topic of the modification and that he was pleased the Governance Review was attracting attention and demonstrating the need for the review. He asked Members to consider this modification in the context of the wider Governance review to ensure there was a clear understanding of the scope and why this modification was moving ahead of the wider review.

SM introduced the Modification, summarising that the aim was to clarify two aspects of recent issues identified with the Modification Rules:

- i) the actions required when a Member was identified with a conflict of interest in terms of the constituency they represent;
- ii) how Alternate Members should be able appoint an Alternate in situations where they could not attend.

He felt that these proposals could be progressed quickly and be in place in time for the 01 October 2018 appointments. He noted that these issues needed to be resolved quickly due to the forthcoming elections but was happy that they be considered as part of the Governance Review Workgroup Although he felt that they would likely need to be concluded before the wider review was complete.

PG noted that this modification could be assessed at the Governance Workgroup with an initial meeting set for 04 June, although it might be challenging to get the Workgroup Report back to the June Panel as suggested in the timetable.

AL asked if conflicts of loyalty should be considered in terms of reference as this could be an opportunity to seek a wider review of conflicts on Members and who they represent. SM agreed a wider review of Member conflicts should be included in Governance Workgroup but he wanted to close off these specific issues quickly for the reasons stated. He noted that his modification might end up being transitional if a more strategic solution was subsequently identified.

CWa felt he would need to consult legal representatives to get a view as to what in the Modification Rules would need to change and this might generate questions and that it might be prudent to consider a report to the July Panel.

AL asked for additional clarity on how an individual's status could be defined, or the conflict identified. SM felt this was possible as other boards manage this process and it is not a new idea.

PG suggested that should the modification be implemented, it might then be superseded once parties have experience of the process and these could be included in the wider Governance Review.

EP wanted to understand if the relevant Member should be nominating a second alternate and not the alternate nominating an alternate otherwise where does it end as it appears to distance the alternate from the parties they represent.

MS noted that the Chair is requested to sign a conflicts of interest statement and that such a statement was common practice across many Boards, so this should be a straight forward process to adapt for Members. However, there could be different options for resolving the issues with alternates and this might take more time to resolve which might impact the suggested timeline.

SM noted the points raised and might considered splitting the modification by the issues so that one doesn't delay the other.

AL noted that PAC Members are required to have an employer assurance letter and that this process could be adopted for Members.

RFa suggested that CUSC rules have a process for managing these issues and perhaps this should be considered in the meeting.

Workgroup Questions:

- How is the Members status identified/defined in terms of a conflict of interest?

For Modification 0656, 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 expected to have a material impact on the Modification Rules, by unanimous vote; and
- That UNC0656 be issued to Workgroup 0656 for assessment, with a report to be presented no later than the 19 July 2018 Panel, by majority vote.

c) Modification 0657 - Adding AQ reporting to the PARR Schedule reporting suite

JW introduced the Modification, explaining that it aimed to add additional reporting requirements to the Performance Assurance Reporting Requirements (PARR) Schedules provided to PAC. The rules established by the implementation of Modification 0520A require a modification to be raised to make amendments to the PARR Schedules.

RFa asked if the intentions of the reports is to identify Shippers individually which are then provided to PAC Members but not noted or reflected in the meeting minutes. JW confirmed the intention as with other PARR Schedule Reports.

SM challenged whether the Shipper ID is actually worth having as the action to resolve a performance issue should be same either way. GW and JW felt that the Shipper ID allows PAC to target the required actions against specific organisations and to be able to review if performance is improving. Anonymised data provides a trend but it is then difficult to target failures without a blanket communication to the whole industry which dilutes the effectiveness.

AL felt that anonymised reports can restrict the reporting and response options and the frame work was established with the view that PAC Members should see un-anonymised reports.

JW advised that when considering whether the modification should be subject to Self-Governance he had decided to be cautious in his approach as Modification 0520A had been Authority Direction and a Modification he had raised at the previous Panel had been determined as Authority Direct when he had recommended Self-Governance.

A number of Members suggested that the modification should be Self-Governance as the framework is established and PAC is a controlled Committee and subject to confidentiality statements. JW advised he was comfortable with this change.

Workgroup Questions:

- Should the reports be anonymised or un-anonymised;
- Consider EBCC Credit Rules for managing the framework and reporting requirements.

For Modification 0657, Members determined:

- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are met as this Modification is not expected to have a material impact on the contractual arrangements for the transportation of gas, by unanimous vote; and
- That Modification 0657S be issued to Workgroup 0657S for assessment, with a report to be presented no later than the 16 August 2018 Panel, by unanimous vote.

224.6 Existing Modifications for Reconsideration

None

224.7 Consider Workgroup Issues

None

224.8 Workgroup Reports for Consideration

a) Modifications 0621 including A to L - Amendments to Gas Transmission Charging Regime

MS noted that he would first ask DL to make a few opening comments, before asking CF to comment on Ofgem's letter, which had only been received by Panel Members the night before Panel and then he would ask PG to outline the summary Workgroup Report given the many alternatives.

DL expressed his gratitude to the industry and Joint Office in completing the Workgroup Report to the standard that has been achieved and, in the timescales set out in the Authority Direction.

CF noted and appreciated the achievements by the industry to date in meeting the requirement of the Direction. CF advised that colleagues have reviewed the Workgroup Report and note the comments made by the Workgroup in terms of the time allowed for analysis and the areas where analysis is missing or partially completed.

CF suggested that consultees should have the best information available to respond to the consultation and this was in part why Ofgem had written to Panel expressing a view that the Panel should consider whether enough time had been given to allow the Workgroup to consider all the analysis.

SM noted that the Ofgem letter appears to give Panel the responsibility to change Ofgem's direction and asked how this would impact the Direction and whether there would be any follow-on implications for Members or National Grid.

CF felt that the aim is to ensure the process moves forward in a timely manner and is not about apportioning blame for missing the timeline. The aim should be to get the best possible outcome for all parties.

DL wanted to understand the main concerns around the Workgroup Report, what additional topics/information Ofgem felt needed to be considered. AL wanted further clarity in terms of Panel expectations by Ofgem, if there is going to be a RIA, Members will be making a decision without the information from RIA. This might create conflicts in the decision making process as the information won't be available which would inform a Members recommendation.

CF advised the aim for Ofgem is to build on the Workgroup Report and not undertake an exercise in parallel to the Panel process.

PG provided an overview of the closing stages of the Workgroup and how some analysis was missing from the Workgroup Report as it was received too late for inclusion.

SM drew attention to the letter and noting that the Workgroup had requested more time to consider the additional analysis. The letter then appears to place an obligation on Panel to assess whether there is sufficient information included in the Workgroup Report, and if it should be sent back for further assessment. Can Ofgem provide a statement on the context of the analysis and the information that it felt is missing. What are Ofgem's concerns? And why is this Panel's responsibility when Ofgem have put in place a Direction on National Grid? He felt that Panel is being made responsible for a decision that could conflict with the Direction.

CF disagreed this would create a conflict for Panel as there will be a separate consultation by Ofgem which would support the Panel consultation. Ofgem were seeking to support comments made in the Workgroup Report about insufficient time being allowed to support the assessment of analysis which might give respondents a more informed view.

SM wanted to know if Ofgem were content sufficient time has been allowed in the direction for the assessment to be undertaken. CF noted that the Direction aimed to provide a balance between timely reporting and the provision analysis. They were also mindful about industry concerns about getting to a decision sooner rather than later and managing risks to the regulatory process should reporting go beyond the end of May.

RFa asked if the Direction is amended by the letter or does it still stand as is. CF confirmed that letter is not an amendment to the Direction, although the Direction sets out reasonable endeavours expectations to achieve a report by this Panel and therefore Panel have leeway to consider its options.

PG noted that should these Modifications be returned to Workgroup, this would reopen the window for Alternative Modifications, however, the scope of the return should be restricted and narrowed to what is needed for the Workgroup Report as it stands.

AL was concerned that the consultation is not constrained as Shippers need to undertake their own internal assessment of the options on the table and how they would impact their own individual strategies going forward.

AG suggested parallel running on RIA and Modification consultations. CF reiterated that Ofgem intends to build the RIA based on the consultation for the Modifications proposed and therefore parallel running did not seem feasible.

SM asked if the Reasonable Endeavours obligations on National Grid and therefore Panel had been met and could Panel ignore the Directed timeline without being held accountable or responsible. CF was unable to provide a comment at this time.

RP noted that only Ofgem can prevent Alternative Modifications being raised should these Modifications be sent back to Workgroup, however Panel does not have this discretion.

It was noted that resourcing would be a significant impact on the Joint Office and wider industry and it would be difficult to get the Workgroup Report back to June Panel, with July being preferable. The risk being that Panel would face a similar dilemma at the June Panel. SM felt that if July is suggested, more work must be needed that is anticipated or suggested in Ofgem's letter. However, resource constraints should not be considered as an excuse not to report.

DL wanted to understand the materiality of the additional assessment, how would this impact the report as it stands and would it have a material impact on the information already provided, as he doubted this would be the case.

CF was concerned about the deferral to the July Panel as this would be pushing the assessment process back for all stages including the RIA. CWi suggested it would delay the start of the ACER Consultation.

CWi was concerned that the questions being posed, particularly on legal compliance might receive restricted or limited responses as respondents would need to be mindful of their own individual commercial views. SM agreed with this view and doubted whether the Workgroup would specify such detail in the Report.

SM sought clarity on whether Panel Members were bound by the Ofgem Direction and again he wanted to understand whether Panel Members would be held responsible for failing to comply with the Direction. Members held mixed views on the collective responsibility of Panel. PG drew Members attention to the Modification Rules 12.5 where a Direction is placed on a Transporter, the timeline set out in the Direction is to be followed.

RFa challenged whether the Workgroup would be able to fully answer the questions posed by Ofgem as these were quite detailed and would take a significant amount of time to assess and he doubted if an answer was possible. He was of the view that these questions could be asked in Consultation and he would like the additional analysis which was provided too late for Workgroup Report to be included in the Draft Modification Report, if not to be reviewed by the Workgroup.

AL asked what the implications would be for National Grid should these Modifications be sent back to Workgroup. CF felt this would need to be reviewed based on the reasonable endeavours expectations in the Direction.

Rfa requested that a copy of Ofgem's additional questions should be provided for either Workgroup review or inclusion in the Draft Modification Report. MS agreed with this view and that the vote should be undertaken.

CF provided a copy of the questions Ofgem would like to be considered either by the Workgroup or during Consultation:

- i) The rationale in the report for having an interim period and using the obligated capacity as the Forecasted Contracted Capacity (FCC) is to avoid significant changes to charges and have a period to understand how booking behaviour changes. How does this compare to having two structural changes to charges (one at the start of the interim period and another at the enduring period)?

- ii) What (if any) consequences do you see from 'interim contracts' being allocated at QSEC and AMSEC auctions in 2019 given the timings of these auctions in the UNC and possible date of Ofgem decision on UNC621? What options are there to deal with these consequences and what impact would these options have?
- iii) Do you consider the proposals to be compliant with relevant legally binding decisions of the European Commission and/or the Agency for the Co-Operation of Energy Regulators?
- iv) In what way do you consider the reference price methodologies proposed (Capacity Weighted Distance (CWD), CWD using square root of distance and Postage Stamp) to be cost reflective and meet the criteria in Article 7 of TAR?
- v) The proposals have different combinations of specific capacity discounts for storage sites and bilateral interconnection points. In what way do you consider the different combinations facilitate effective competition between gas shippers and gas suppliers?

MS recorded his thanks to CF for setting out Ofgem's position so clearly, He noted that Ofgem had clearly asked the Panel to consider whether the Workgroup had had sufficient time to consider the analysis and that it was right, therefore, for Panel to express a view on this via a vote.

A number of Members requested clarity on the impact of a vote and if abstentions were recorded.

"Panel Majority": in relation to

- (a) a Modification Panel recommendation made pursuant to paragraph 9.2.1(b) or 9.3.3(a) to be determined at a quorate and duly convened meeting of the Modification Panel means:
 - a majority (in number) of the votes **exercisable** by the Voting Members present at that meeting and voting in favour of such matter; and
- (b) any other Modification Panel determination to be determined at a quorate and duly convened meeting of the Modification Panel means:
 - (i) a majority (in number) of the votes **exercised** by the Voting Members present at that meeting and voting in favour of such matter; or
 - (ii) if there is an equal number of votes by the Voting Members present at that meeting in favour of and against such matter, where the Panel Chairperson has exercised a Casting Vote in favour of such matter;

It was noted that (a) above applied to Votes for implementation and only Yes Votes were recorded. For other Votes (b) applies and abstentions reduces the number of votes exercised.

Members noted the Workgroup Report and the recommendations it contained.

- Members determined Modifications 0621 including A to L should be issued to consultation which includes a deemed request for Legal Text, with a consultation close date of **22 June 2018**, by majority vote;

- Ofgems questions to be included in the Draft Modification Report, by majority vote;
- DL confirmed the Legal Text provided satisfies the Panel request for Legal Text;
- To hold an additional Panel Meeting during July to consider the Final Modification Report, by unanimous vote.

b) Request 0639R - Review of AUGE Framework and Arrangements

Members noted the recommendations in the Workgroup Report.

SM asked Members to note, that a number of changes to the AUGE Framework documents were to be progressed separately and would be submitted to the UNCC for approval. This extension would allow the Workgroup to review the contractual obligations and their suitability going forward.

For Request 0639R, Members determined:

- It should be referred back to Workgroup 0639R for further assessment, with a report by the 16 August 2018 Panel.

224.9 Consideration of Workgroup Reporting Dates and Legal Text Requests

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

Workgroup	New Reporting Date
0651 - Replacement of the Retrospective Data Update provisions	19 July 2018
0653 - Updating the parameters for the NTS Optional Commodity Charge – Introducing the NTS Optional Capacity Charge	19 July 2018

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

Modification
None

224.10 Consider Variation Requests

None.

224.11 Final Modification Reports

- a) Modification 0641S - Amendments to Modification 0431 - Shipper/Transporter - Meter Point Portfolio Reconciliation rules and obligations

Panel discussion: see the Final Modification Report published at:
<https://www.gasgovernance.co.uk/0641>

Members voted unanimously to implement Modification 0641S.

- b) Modification 0645S - Amending the oxygen content limit in the Network Entry Agreement at South Hook LNG

Panel discussion: see the Final Modification Report published at:
<https://www.gasgovernance.co.uk/0645>

Members voted unanimously to implement Modification 0645S.

- c) Modification 0648S - End dating the revised DM Read estimation process introduced by Modification 0634

Panel discussion: see the Final Modification Report published at:
<https://www.gasgovernance.co.uk/0648>

Members voted unanimously to implement Modification 0648S.

224.12 AOB

- a) **Urgent Modifications 0642 0642A - Changes to settlement regime to address Unidentified Gas issues and 0643 - Changes to settlement regime to address Unidentified Gas issues including retrospective correction**

RE advised that the Impact Assessment had been reviewed and approved internally and would be issued soon.

AG advised that he would be raising an Urgent UIG related modification in the near future.

CWa asked if in the absence of decisions on the Urgent UIG Modifications, what was the impact on Xoserves change programme. RHi advised that these are featured in the programme but decisions are needed to allow systems development to take place and then the impact on release schedules could be assessed. These modifications feature as a risk to the individual releases as they may need to be accommodated as they would be considered as a high priority.

RHi confirmed that Xoserve still have a UIG related project team in place and this would continue for some time while issues are addressed.

b) Modifications 0619 0619/A/B - Application of proportionate ratchet charges to daily read sites

CWa asked if a decision was imminent for Modifications 0619/A/B.

RE advised that these modifications were still being considered by Ofgem.

c) Request for Urgency Modification 0636 - Updating the parameters for the NTS Optional Commodity Charge

DL asked what the process should be where a Proposer seeks Urgency for a modification that is part way through the process. PG explained the process used as the Modification Rules are not clear on the steps that should be followed and noted that the Proposer had made a confidential request to Ofgem.

224.13 Date of Next Meeting

- 09.30, Wednesday 23 May 2018, by Teleconference.
- 10:30, Thursday 21 June 2018, at Elexon.
- 10:30, Thursday 19 July 2018, at Elexon and an additional July meeting day on a date to be advised.

Action Table (17 May 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update