

**UNC Workgroup 0396 Minutes**  
**EU Third package: Three week switching**  
**Monday 10 October 2011**  
**at 31 Homer Road, Solihull B91 3LT**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alison Jennings	(AJ)	Xoserve
Anne Jackson	(AJa)	SSE
Brian Durber	(BD)	E.ON UK
Chris Warner	(CW)	National Grid Distribution
David Addison	(DA)	Xoserve
David Watson	(DW)	British Gas
Gareth Evans	(GE)	Waters Wye
Joanna Ferguson	(JF)	Northern Gas Networks
Karen Kennedy	(KK)	ScottishPower
Linda Whitcroft	(LW)	Xoserve
Mark Jones	(MJ)	SSE
Sasha Pearce	(SP)	RWE npower
Simon Trivella	(ST)	Wales & West Utilities
Steve Mulinganie	(SM)	Gazprom
Tabish Khan	(TK)	Ofgem

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0396/101011>.

**1.0 Introduction and Status Review****1.1. Review of Minutes of the previous meeting**

The minutes of the previous meeting were accepted.

**1.2. Review of Actions**

**0004:** Xoserve (AJ/LW) to investigate the potential impact and implications of reducing the objection window rule from two to one business days.

**Update:** CW has worked with BD to produce legal text drafting and the conclusion had been reached that the expectation would be to turn the files around immediately rather than take the maximum of 2 days. It was proposed to include in the text something along the lines of it being reasonably practicable under normal circumstances, but with the leeway of the maximum of 2 days if unusual circumstances pertained. On being challenged that there was no evidence to suggest that the 2 day maximum was ever required, AJ responded that the AQ Review period was the only period that would regularly take the maximum time, or it may be utilised in the event of system problems. Generally the turnaround was managed within

hours or, at the most, one day. There were no liabilities involved currently. SM continued to question why the Transporters believed the 2 day protection was required.

BD questioned if Suppliers could claim force majeure, ie the Service Provider has failed to deliver, if the maximum was breached; was this a risk? TK observed that where there are exceptional circumstances, eg outside of a Shipper's control, a degree of leniency is likely to be displayed. Assessment would be on a case-by-case basis. DW asked whether this should be reflected in the Modification for the sake of clarity. SM reiterated his concern that the timescale allotted to Shippers was being eroded, and questioned why the Transporters could not perform the required actions within the one day. BD indicated that he would clarify the potential risk, the circumstances and likelihood of occurrence within the Modification. AJ pointed out that if the Transporters took the two days the objection window would be squeezed even further; it had never taken longer than two days, but on occasion may need to use the two days – it applies to every single response file on the IX. SM still believed that reducing the Transporters' window should be given serious consideration. BD observed that the real risk was erroneous transfers; Xoserve always notified the community when there were system constraints (and the system users always notice very quickly when there is a problem). The Transporters would give consideration to guaranteeing a one day turnaround, but would need to be reassured of the sufficient robustness of the systems.

CW reiterated the current process as laid down in the UNC, and this was discussed in an attempt to gain a common understanding of how it worked in its present form, particularly relating to the point at which the clock should stop following an objection – from the time of submission or receipt? DW pointed out that other issues arise when the customer calls to halt the transfer. **Closed**

## 2.0 Discussion

BD confirmed that he was waiting to review the legal text before considering any further changes to the modification.

BF reiterated Ofgem's view on funding, and ST added that the Transporters had asked for clarification on a number of points regarding this; the debate was still open and the dialogue continued. He supported the Proposer in not designating this as User Pays, and suggested that the modification should be treated as a pass-through because the Transporters were not funded for it. It should be generally funded by the industry. It can be done through a change to the ACS and submitted to Ofgem who can then decide whether to veto or not. This option might be considered if the pass-through route is deemed unacceptable.

BF confirmed that the Workgroup would look to review the legal text and complete the Workgroup Report at the next meeting. (The Workgroup Report is due for submission to the Panel on 17 November 2011.)

### 3.0 Any Other Business

#### Related Modifications and Proposals

It was noted that SSE had recently raised a related modification (0403) that was to be considered by Panel at its October meeting.

DW reported that British Gas would also be raising a related modification and briefly explained the rationale, which essentially would look to keep the confirmation window at 7 days, and reduce the objection window to 3 days. It was calculated that 98% would go through in 3 weeks. AJa indicated that Modification 0403 was not too dissimilar, and was aimed at giving more flexibility to the objection window as and when required (not all the time).

Following conversations with Xoserve, DW believed that what he had in mind was anticipated to cost less than what was proposed under Modification 0396, but this would need to be explored in greater detail once a formal proposal was raised.

AJ added that Xoserve was still considering how a flexible event could be addressed through the systems.

### 4.0 Diary Planning for Workgroup

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

The next meeting of the Workgroup will take place within the business proceedings of the Distribution Workgroup, on 27 October 2011, 31 Homer Road, Solihull B91 3LT.

#### ACTION LOG – Workgroup 0396

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0396 0004	22/09/11	2.0	Investigate the potential impact and implications of reducing the objection window rule from two to one business days.	Xoserve (AJ/LW)	Closed