

UNC Workgroup 0448 Minutes
Aligning UNC with Licence Conditions relating to European legislative change
Thursday 06 June 2103
Energy Networks Association, 52 Horseferry Road, London SW1P 2AF

Attendees

| | | |
|--------------------------|-------|-----------------------|
| Tim Davis (Chair) | (TD) | Joint Office |
| Lorna Dupont (Secretary) | (LD) | Joint Office |
| Alena Aliakseyeva | (AA) | Ofgem |
| Alex Whitmarsh | (AW) | Ofgem |
| Angus Paxton | (AP) | Poyry |
| Antonio Ciavolella | (AC) | BP Gas |
| Benedikt Unger | (BU) | Poyry |
| Charles Ruffell | (CR) | RWE Npower |
| Chris Hill | (CH) | Cornwall Energy |
| Clare Cameron | (CC) | Ofgem |
| Ewan Thorburn | (ET) | Ofgem |
| Fergus Healy | (FH) | National Grid NTS |
| Gerry Hoggan | (GH) | ScottishPower |
| Graham Jack | (GJ) | Centrica |
| Jeff Chandler | (JC) | SSE |
| Julie Cox | (JCx) | Energy UK |
| Lewis Hodgart* | (LH) | Ofgem |
| Mark Dalton | (MD) | BG Group |
| Mike Wassell | (MW) | National Grid NTS |
| Natasha Ranatunga | (NR) | EDF Energy |
| Nick Wye | (NW) | Waters Wye Associates |
| Phil Hobbins | (PH) | National Grid NTS |
| Rhys Ashman | (RA) | National Grid NTS |
| Richard Fairholme* | (RF) | E.ON UK |
| Sarah Lloyd | (SL) | National Grid NTS |
| Sean McGoldrick | (SM) | National Grid NTS |
| Steve Pownall | (SP) | National Grid NTS |

**via teleconference*

Copies of all papers are available at: www.gasgovernance.co.uk/0448/060613

The Workgroup Report is due to the UNC Modification Panel on 18 July 2013.

1.0 Review of Minutes and Action (02 May 2013)

The minutes were accepted and the outstanding action was reviewed.

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

Update: ET had provided a response (circulated to Workgroup attendees) to a number of the concerns raised at the previous meeting, however following consideration of the detail it was believed the information provided within that response had not addressed this action in particular, and which in the

Workgroup's view still required response and should remain open. **Carried forward**

2.0 Discussion and Review of Legal Text

SM explained the changes made following discussion at the last meeting. The modification had been revised to remove the Code Governance Review aspects (it had been agreed with Ofgem to submit a separate Modification regarding this at a later time) and the restrictions on amending the Modification Proposal. National Grid NTS had considered the questions regarding why some of the conditions were added to its licence. SM observed that regardless of the reasons, these were now conditions within National Grid's licence and so must be reflected in Code in order to facilitate meeting National Grid NTS' obligations.

JCx expressed concern that it was still not clear from where these conditions had emanated. SM confirmed that he was looking into this, and that the source/route might have originated in 2005/06. It may not be directly related to EU change but the Transporter still had to meet its obligations. It might be possible to amend the modification to reflect a different position. JCx suggested that Ofgem could provide some guidance on when it might consider using or applying any such powers (and identify where this originated). **Post Meeting Note:** *AP provided the following link to a parent document of S23 notice introducing SSC11.9(c):* <http://www.ofgem.gov.uk/Networks/GasDistr/otherwork/Documents1/10692-FinalProposalsforInterimIncentivesFormalconsultation.pdf>

SM confirmed a further revision of the modification was underway.

Legal Text

Noting that, subsequent to the valid comments made at the previous meeting, no change had been made to the legal text previously provided, TD reiterated his concerns regarding the ineffectiveness of the current version of the legal text, and again explained in some detail why in its current guise it would fail to deliver what was intended by this modification. The modification needed to set out how the direction should be delivered and what should happen when that direction is received. It required revision so that it worked within the Modification Rules and delivers the intent of the modification. Following further discussion and noting the observations made by the Chair, CC and ET agreed to liaise with National Grid NTS to reconsider the text (covered under Action 0448/0501, above). It was observed that changes might also be required to the Transporter's Licence.

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

4.0 Diary Planning

It was suggested that it might be beneficial for the next Workgroup meeting to take place on the same day as the June UNC Modification Panel. This would offer the

advantage of additional Workgroup participants more expertly conversant with the intricacies and requirements of the UNC Modification Rules.

The next Workgroup meeting will take place within the business proceedings of the Governance Workgroup on Thursday 20 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 CC/ET) | Carried forward |