

**UNC Workgroup 0506 Minutes
Gas Performance Assurance Framework and Governance
Arrangements**

Tuesday 13 January 2015

at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Bob Fletcher Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andrew Margan	(AMa)	British Gas
Angela Love	(AL)	ScottishPower
Carl Whitehouse*	(CWh)	first:utility
Chris Warner	(CW)	National Grid Distribution
Edward Hunter	(EH)	npower
Emma Lyndon	(EL)	Xoserve
Erika Melen	(EM)	Scotia Gas Networks
Jon Dixon	(JD)	Ofgem
Jonathan Kiddle	(JK)	EDF Energy
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Matt Jackson	(MJa)	British Gas
Rachel Hinsley	(RH)	Xoserve
Sean McGoldrick	(SMc)	National Grid NTS

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0506/130115>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 April 2015.

1.0 Review of Minutes and Actions

1.1. Minutes

The minutes of the previous meeting were approved.

1.2. Actions

Action 0506 1101: Xoserve (EL) to investigate the areas of concern with regards to manual workarounds.

Update: EL explained that work remains ongoing and a view would be provided at the 24 February 2015 meeting. **Carried Forward**

Action 0506 1201: ScottishPower (AL) to provide a copy of the Elexon information relating to the electricity market model for nominating and warranting of (the equivalent Review Framework) Committee members to the Joint Office for publication.

Update: AL pointed out that a copy of the information had been provided at the previous meeting. **Closed**

0506 1202: ScottishPower (AL) to provide a 'strawman' around the proposed Review Framework Committee.

Update: AL apologised for not having the time to look into this action whilst also suggesting that now Modification 0506A has been raised the action should be carried over. **Carried Forward**

0506 1203: *Related to Action 0506 1202* - National Grid Distribution (CW) to double check whether or not there are any potential Transporter Licence impacts.

Update: CW advised that he would provide a view once the 'strawman' was available. **Carried Forward**

2.0 Discussion

2.1 Update on UNC Modification 0506

AL suggested that until the value chain information is made available further discussion on 0506 should remain on hold.

2.2 Overview of UNC Modification 0506A

In explaining that rationale behind raising the modification, MJ provided a brief overview of Modification 0506A that is to be presented at the 15 January 2015 Panel meeting.

MJ explained that the modification is proposed as an interim (3yr) modification with support provided by Xoserve and that the 'Data Provision Costs' elements have been developed following extensive discussions with Xoserve.

When asked, BF advised that EBCC members are not requested to sign confidentiality agreements, although they are expected to declare an interest should the discussion require it.

AM wondered whether or not the use of the 'Energy Settlements Regime' term might be inappropriate and questioned why National Grid NTS appear to be exempt, as surely if the Workgroup identifies a risk that involves National Grid NTS, it should be included. Responding, SMC suggested that if anyone could provide a specific example he would be happy to discuss – whilst no specific example was forthcoming at this time, MJ suggested that it would/could be flushed out during the development of the modification.

When asked, MJ indicated that he would consider amending the required standard statement to read as 'targets' and that the 6% Xoserve charge estimation is based on Xoserve's initial view. AL enquired whether or not parties are confident that Xoserve could in fact provide this extra service at a satisfactory level.

When asked, MJ confirmed that the 'Xoserve +' would kick in following the 2nd year review.

When asked whether or not there is provision within the modification for a 'check mechanism for PAF role and what reporting aspects would there be, MJ advised that he envisages a UNCC sub-committee role, potentially supported by a quarterly reporting facility. MJ then explained that the modification is written in such a way as to look to avoid the need to raise new modifications to change the scope of the role in future.

AL believed that there is a fundamental weakness in the modification relating to the potential market cost associated with utilising Xoserve for the first 3 years as this could be seen as being 'hostages to fortune' and potentially provides Xoserve with an unfair market advantage. BF suggested that there would always be the option to raise a future modification to change the regime and arrangements should the need be identified and details such as those above would be developed during consideration of the modification.

3.0 Legal Text

Consideration deferred.

4.0 Workgroup Report

Consideration deferred.

5.0 Any Other Business

None.

6.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
10.30 04 February 2015	Elexon (Room to be confirmed)	Consideration of Independent Study Final Report and Workgroup 0506/0506A.
10:30 17 February 2015	Elexon (Room to be confirmed)	Consideration of Value Chain Requirements and Workgroup 0506/0506A impacts.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0506 1101	26/11/14	2.0	EI to investigate the areas of concern with regards to manual workarounds.	Xoserve (EL)	Carried Forward
0506 1201	16/12/14	1.2	To provide a copy of the Elexon information relating to the electricity market model for nominating and warranting of (the equivalent Review Framework) Committee members to the Joint Office for publication.	ScottishPower (AL)	Update provided. Closed
0506 1202	16/12/14	1.2	To provide a 'strawman' around the proposed Review Framework Committee.	ScottishPower (AL)	Carried Forward
0506 1203	16/12/14	1.2	<i>Related to Action 0506 1202 - to double check whether or not there are any potential Transporter Licence impacts.</i>	National Grid Distribution (CW)	Carried Forward