

**Record of Determinations: Panel Meeting 17 July 2014**

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Determination Sought
		AB	AB for AG	AM	AB for PB	RF	CW	EM	JF	RP	RH	
0466A - Daily Meter Reading Simplification with improved within day data provision	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review
	Is not a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0466 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0466 for assessment
	Workgroup to report by the October 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the October 2014 Panel
0503 - Update of Transporter Procedure Document references within Network Code	Is not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review
	Is a Self-Governance Modification - unanimous vote in favour	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Is a Fast Track Modification - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy the fast Track Criteria
	Implemented - Unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be implemented (only votes in favour recorded)
0506 - Gas Performance Assurance Framework and Governance Arrangements	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review
	Is a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0506 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0506 for assessment

	Workgroup to report by the December 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the December 2014 Panel
0507 – Changing the Effective Date of 0451AV	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	NP	X	X	X	X	X	Is Modification related to Significant Code Review
	Is a Self-Governance Modification - unanimous vote against	X	X	X	X	NP	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Proceed to consultation - unanimous vote against	X	X	X	X	NP	X	X	X	X	X	Should DMR be Issued to Consultation
	Issued to Workgroup 0507 - unanimous vote in favour	✓	✓	✓	✓	NP	✓	✓	✓	✓	✓	Refer to Workgroup 0507 for assessment
	Workgroup to report by the August 2014 Panel - with 8 votes in favour and 1 vote against	✓	✓	✓	✓	NP	✓	✓	✓	✓	X	Workgroup to report by the August 2014 Panel
0508 – Revised Distributed Gas Charging Arrangements	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review
	Is a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0508 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0508 for assessment
	Workgroup to report by the December 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the December 2014 Panel
0472 - Reporting the number of registration attempts by a supplier	Is a Self-Governance Modification - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Re-consider the Self Governance status of the modification
	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should DMR be Issued to Consultation
	Legal text not required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is further Legal text required for inclusion in DMR
	Cost estimate not required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Is a Cost estimate required for inclusion in DMR

	Consultation to close out on 08 August - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consultation to Close out on 08 August
0479S – Inclusion of email as a valid UNC communication	Consider at short notice - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be considered at short notice?
	Returned to Workgroup - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Return to Workgroup for further assessment
	Workgroup to report by the September 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the September 2014 Panel
0469S - Transporter Gas Safety Visit Reporting	Workgroup to report by November 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to November 2014 Panel
0470 - Notification of Minimal Safety operating gas needs of large customers	Workgroup to report by November 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to November 2014 Panel
0483 - Performance Assurance Framework Incentive Regime	Workgroup to report by December 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to December 2014 Panel
0487S - Introduction of Advanced Meter Indicator and Advanced Meter Reader (AMR) Service Provider Identifier	Legal Text Requested - Unanimous Vote in Favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To request Legal Text
0485 - Introduction of Long-term use-it-or-lose-it mechanism to facilitate compliance with the EU Congestion Management Procedures	No new issues, not returned to Workgroup - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implementation recommended - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be implemented (only votes in favour recorded)

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

**UNC Modification Panel**

**Minutes of the 162<sup>nd</sup> Meeting held on Thursday 17 July 2014 at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF**

**Attendees**

**Voting Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representative</b>
A Barnes (AB), Gazprom alternate for P Broom and A Green A Margan (AM), British Gas R Fairholme* (RF), E.ON UK	C Warner (CW), National Grid Distribution E Melen (EM), Scotia Gas Networks J Ferguson (JF), Northern Gas Networks R Pomroy (RP), Wales & West Utilities R Hewitt (RH), National Grid NTS	

**Non-Voting Members:**

<b>Chairman</b>	<b>Ofgem Representative</b>
L Jenkins (LJ), Joint Office	A Rooney (ARo), Ofgem

**Also in Attendance:**

A Love (AL), ScottishPower; C MacCann (CM), Ofgem; D Addison (DA), Xoserve; H Comerford\* (HCo), Winchester Gas; K Elliott-Smith (KES), Cornwall Energy; R Fletcher (RF), Secretary and R Johnson (RJ), Wingas.

\* by teleconference

## Record of Discussions

### 162.1 Note of any alternates attending meeting

A Barnes for A Green (Total)

A Barnes for P Broom (GDF Suez)

A Margan for C Wright (British Gas)

E Melen for A Musgrave (Scotia Gas Networks)

R Pomroy for S Edwards (Wales & West Utilities)

### 162.2 Record of Apologies for absence

A Green, A Musgrave, C Alexander, C Wright, P Broom and S Edwards.

### 162.3 Minutes and Actions of the Last Meeting(s)

The minutes of the previous meeting (19 June) were accepted.

### 162.4 Consider New, Non-Urgent Modifications

- a) Modification 0466A - Daily Meter Reading Simplification (with improved within day data provision)

RJ introduced the modification and its aims.

For Modification 0466A, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition or consumers;
- The modification be issued to Workgroup 0466 for assessment with a report presented by the October 2014 Panel.

- b) Modification 0503 - Update of Transporter Procedure Document references within Network Code

RF advised that the modification had been amended following the comments received at the last Panel meeting. AM asked how the obligation for the link to the ENA website is to be provided in legal text? RF agreed to amend the modification in the meeting so that the requirement for the link is for information only and that the Joint Office will publish a link on its website <http://www.gasgovernance.co.uk/Links>

For Modification 0503, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are met as this modification is not expected to have a material impact on competition or

consumers;

- The criteria for Fast Track Self-Governance are met as this modification is properly a housekeeping modification required as a result of some error or factual change;
- That Modification 0503FT should be implemented.

c) Modification 0506 - Gas Performance Assurance Framework and Governance Arrangements

AL introduced the modification and its aims. RP was unsure how this modification and 0483 would work together; they appear to use different approaches. AL advised that 0483 delivers the incentive mechanism, whereas this modification delivers the governance framework.

Panel Request the Workgroup to consider the following:

Confirm that Performance Assurance Workgroup unanimously supports the Solution;

Clarify how Modifications 0483 and 0506 will work together;

Confirm how the Performance Assurance Framework Administrator tendering process is to work;

Confirm the funding arrangements.

For Modification 0506, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition;
- The modification be issued to Workgroup 0506 for assessment with a report presented by the December 2014 Panel.

d) Modification 0507 – Changing the Effective Date of 0451AV

HCo introduced the modification and its aims. CW advised that a number of questions have been raised by their legal team about the date related aspects of this modification and its requirement to back out the implementation of Modification 0451AV. He was concerned about the drafting of text based on the implementation requirements for alternative and backstop dates required by the Modification Rules – which of these should apply in the text.

DA advised that the system delivery for Modification 0451AV is now likely to be early January 2015, though later than initially expected it still fits with the understanding that the system changes would follow at a later date to the implementation date of Modification 0451AV and this was consistent with Ofgem's decision letter.

RH challenged the content of the solution as he could not understand what the modification aims to do as it is not clear and this raises concerns about the accuracy of the legal text.

LJ wanted to understand if the modification is implementable in its current form? CW was unsure and felt it would benefit from Workgroup assessment.

AM was unsure if the modification is proposing to withdraw the provisions of Modification 0451AV should the system and/or prepayment meter profile not be implemented by January 2015? HC confirmed this was the intention, as he did not want to see the uncertainty continuing over an extended period of time.

AL wanted to understand how the profile would be more uncertain than the profile derived from the data provided by the proposer used to justify MOD451AV, which was from one Shippers customers and one LDZ. AL noted that it was always understood that the profile would be developed after the implementation of the Code and would be based on more statistically robust data.. HC was concerned that the profile had taken longer to develop when early indications advised it would be a quick process, this had increased the level of uncertainty as to what is to be invoiced following system implementation. AL commented that such is the nature of the current risk under the RbD process

DA asked members to note that Xoserve were already placing contracts for Modification 0451AV implementation. Members agreed that this should be mentioned in the Workgroup report.

*POST MEETING NOTE: It was clarified at the meeting that the requirement to develop a profile was identified to late in the Workgroup process for a full assessment of the work required for its development.*

For Modification 0507, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are not met as this modification is not expected to have a material impact on competition or consumers;
- The modification be issued to Workgroup 0507 for assessment with a report presented by the August 2014 Panel.

e) Modification 0508 – Revised Distributed Gas Charging Arrangements

CW introduced the modification and its aims. RH requested that sufficient time be allowed so that it can be assessed at both the Distribution and Transmission charging forums.

For Modification 0508, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on:
  - competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities

connected with the shipping, transportation or supply of gas conveyed through pipes; and

- the sustainable development of the gas distribution networks;
- The modification be issued to Workgroup 0508 for assessment with a report presented by the December 2014 Panel.

## 162.5 Consider Workgroup Issues

### Workgroup Reports for Consideration

a) Modification 0466 – Daily Meter Reading Simplification

Workgroup reporting date was amended during the discussions for Modification 0466A above, no further discussions required.

b) Modification 0472 - Reporting the number of registration attempts by a supplier

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Legal text is not required for inclusion in the draft Modification Report; and
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 08 August 2014.

c) Modification 0479S – Inclusion of email as a valid UNC communication

Members accepted the recommendations in the Workgroup Report:

- It should be considered at short notice;
- It should be returned to Workgroup;
- The modification be issued to Workgroup 0479S for assessment with a report presented by the September 2014 Panel.

### Consideration of Workgroup Reporting Dates and Legal Text Requests:

Members determined unanimously to extend the following Workgroup reporting dates:

Workgroup	Reporting Date
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0469S - Transporter Gas Safety Visit Reporting	20 November 2014
0470 - Notification of Minimal Safety operating gas needs of large customers	20 November 2014
0483 - Performance Assurance Framework Incentive Regime	18 December 2014

Members determined unanimously to request Legal text for the following modifications:

<b>Modification</b>
0487S - Introduction of Advanced Meter Indicator and Advanced Meter Reader (AMR) Service Provider Identifier

#### **162.6 Final Modification Reports**

- a) Modification 0485 - Introduction of Long-term use-it-or-lose-it mechanism to facilitate compliance with the EU Congestion Management Procedures

RH confirmed that they would be considering the feasibility of the provision of monthly reports following the implementation of CAM.

For Panel discussion see the Final Modification Report published at [www.gasgovernance.co.uk/0485](http://www.gasgovernance.co.uk/0485)

Members unanimously determined to recommend implementation of Modification 0485.

#### **162.7 Any Other Business**

- a) Industry data quality, ownership and governance

CM provided a presentation explaining the background to their request for the industry to consider data quality issues associated with the Change of Supplier (CoS) process.

RH asked if there is a reason why CUSC had not been involved in the process and should gas or electricity Transmission customers be included in the process?

CM did not think it was appropriate for transmission customers (either electric or gas) to be included, though he agreed to review the question and provide an update prior to the next Panel meeting.

LJ asked if DCUSA should be included as it is the distribution equivalent Code for the electricity market. CM was unsure as the review was aimed at the CoS process but did not want to exclude

parties if there was a view they could support the review.

AL felt that MAMCop should be included in the review as they are key players in the CoS process.

LJ asked why the approach is to request a report as the way forward for Ofgem. CM would like to see the industry provide a report and recommendations, which can inform the overall process and drive solutions in the future.

AL was concerned that Electralink were arranging a meeting but the advertisement of the meeting was limited to SPAA organisations and perhaps it should be a wider audience. CW noted this concern and would raise the point at the next SPAA meeting.

DA thought the process should sit around COSEG as a meeting coordinator to manage the dual governance aspects across the Codes and meet the wider audience need.

CM felt that COSEG involvement should be around the presentation of findings and recommendations to allow the wider sharing of ideas moving forward. CW offered to represent Panel at SPAA working group meetings on this topic.

Members agreed that CW should represent Panel at the SPAA CoS meetings.

- b) Reforms to the change of supplier (CoS) meter read process for smart gas meters – Final Report for Approval

CW presented the report seeking approval from Panel members for the recommendations contained in the report. JF raised a concern that the report recommendations should be consistent with the SMART Energy code.

AL highlighted that there is a proposal in the paper to engage with the Gas Forum, but not ICOSS. CW agreed to request that ICOSS are also approached.

Members approved the recommendations in the report.

- c) Market investigation reference in respect of the supply and acquisition of energy in Great Britain

AR asked members to note that the referral to the Office of Fair Trading and the Competition and Markets Authority (CMA) includes references to industry codes and that this would be worth Panel Members consideration as it is likely to have an impact at some point in the near future. AR provided the following link to the referral report:

<https://www.ofgem.gov.uk/publications-and-updates/decision-make-market-investigation-reference-respect-supply-and-acquisition-energy-great-britain>

d) Panel Chair Recruitment

LJ confirmed that following interviews a suitable candidate had been identified subject to Ofgem approval. The Panel chair would be appointed once Ofgem approval had been given however the identity of the Panel chair would not be released until the appointment had been formalised.

e) Modification 0499FT - Amendment to TPD Section G1.6.13(e)(iv)

LJ explained that this modification should not have been implemented within 16 Days as it amends errors in the text for Modification 0450B which does not go live until 01 October 2014, therefore it is correcting errors that are not currently contained in Code. A revised implementation date for Modification 0499FT would be sought seeking implementation on the same day as Modification 0450B. The process requires Transporter and Ofgem approval.

**161.8 Conclude Meeting and Agree Date of Next Meeting**

10:30 21 August 2014, at the ENA.