

Record of Determinations: Panel Meeting 18 December 2014

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Member	Determination Sought
		AG	GJ	CH	PB	RF	CW	EM	JF	RP	RH		
0517A - Review of the Supply Matching Merit Order in Setting Capacity Charges and Timing of Resultant Price Changes	Consider at short notice - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		To consider at short notice
	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 0517 - with 9 votes in favour and 1 vote against	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	Refer to Workgroup 0517 for assessment
	Workgroup to report by the April 2015 Panel - with 9 votes in favour and 1 vote against	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	Workgroup to report by the April 2015 Panel
0520 - Performance Assurance Reporting	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 0520 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Refer to Workgroup 0520 for assessment
	Workgroup to report by the June 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Workgroup to report by the June 2015 Panel
0521 – Revision of User Admission Criteria to include Transporter verification of its ability to transact with the Applicant User	Consider at short notice - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		To consider at short notice
	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
	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Should 0521 be Issued to Consultation (includes deemed request for Legal Text)
	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 16 January 2015 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Should consultation end on 16 January 2015 (>15 days)
	FMR to be considered at special Panel meeting on 23 January 2015 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Considered FMR at a special Panel meeting on 23 January 2015
0440 – Project Nexus – iGT Single Service Provision	Consideration deferred to January 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		To defer consideration
0479S 0479A - Inclusion of email as a valid UNC communication	0479A is not an alternative to Modification 0479S - with 8 votes in favour and 2 votes against	✓	X	✓	✓	X	✓	✓	✓	✓	✓		0479A should not be an Alternative to Modification 0479S
0479S - Inclusion of email as a valid UNC communication	Is a Self-Governance Modification - unanimous vote against	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Does Modification satisfy the Self-Governance criteria
	Issued to Workgroup 0479S - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Refer to Workgroup 0479S for further assessment
	Workgroup to report by the 23 January 2015 Special Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Workgroup to report by the January 2015 Panel
0522 (0479A) - Inclusion of email as a valid UNC communication	Issued to Workgroup 0522 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Refer to Workgroup 0522 for further assessment
	Workgroup to report by the March 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Workgroup to report by the March 2015 Panel
0512S - Amendment to Section M to be consistent with Faster Switching proposals	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	NP	✓	✓	✓		Should DMR be Issued to Consultation
	Legal text not required - unanimous vote against	X	X	X	X	X	X	NP	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	NP	X	X	X		Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 23 January 2015 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	NP	✓	✓	✓		Should consultation end on 23 January 2015 (>15 days)

0515S - Resolution timescales for SRVs and USRVs following Project Nexus Implementation	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	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	X	Is a Cost estimate required for inclusion in DMR
	Consultation to close out on 23 January 2015 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consultation end on 23 January 2015 (>15 days)
0511 - Introduction of an Enduring Solution for managing Advanced Meters in central systems post Nexus	Workgroup to report by March 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to March 2015 Panel
0516 - Information provision by large Customers to aid understanding of site characteristics	Workgroup to report by March 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to March 2015 Panel
0501C - Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations including a capped capacity return option and an aggregate overrun regime.	Legal text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To request legal text
0517 - Review of the Supply Matching Merit Order in Setting Capacity Charges	Legal text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To request legal text
0517A - Review of the Supply Matching Merit Order in Setting Capacity Charges and Timing of Resultant Price Changes	Legal text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To request legal text
0445 - Amendment to the arrangements for Daily Metered Supply Point Capacity	Issued to Workgroup 0445 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0445 for further assessment
	Workgroup to report by the February 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the February 2015 Panel
0466 0466A - Daily Meter Reading Simplification (with improved within day data provision)	Issued to Workgroup 0466 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Refer to Workgroup 0466 for further assessment
	Workgroup to report by the February 2015 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the February 2015 Panel

0469S - Transporter Gas Safety Visit Reporting	No new issues identified - unanimous vote against	X	X	X	X	X	X	X	X	X	X		Did consultation raise new issues
	Implemented - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Should Modification be implemented (only votes in favour recorded)
0514 - Extending the Daily Metered 'voluntary' service to Project Nexus Implementation Date plus six month	No new issues identified - 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)

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

UNC Modification Panel

Minutes of the 169th Meeting held on Thursday 18 December 2014 at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
A Green (AG), Total G Jack (GJ), British Gas C Hill (CH), Cooperative Energy P Broom (PB), GDF Suez 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:

Chairman	Ofgem Representative
A Plant (AP), Chair	A Rooney (ARo), Ofgem

Also in Attendance:

A Miller (AM), Xoserve; A Ross-Shaw* (ARS), Northern Gas Networks (0479 only); D Addison (DA), Xoserve; F Healey (FH), National Grid NTS; K Elliott-Smith (KES), Cornwall Energy; L Jenkins (LJ), Joint Office; M Cockayne* (MC), Xoserve (0521 only) and R Fletcher (BF), Secretary.

* by teleconference

Record of Discussions

169.1 Note of any alternates attending meeting

E Melen for A Musgrave (Scotia Gas Networks)
G Jack for A Margan (British Gas)
R Pomroy for S Edwards (Wales & West Utilities)

169.2 Record of Apologies for absence

A Margan, A Musgrave, C Alexander and S Edwards.

169.3 Minutes and Actions of the Last Meeting(s)

Members approved the minutes from the 20 November meeting.

169.4 Consider New Non-Urgent Modifications

- a) *Modification 0517A - Review of the Supply Matching Merit Order in Setting Capacity Charges and Timing of Resultant Price Changes*

RP introduced the modification and its aims. RH asked if the modification sets an implementation date for prices from 2015 to April/October 2017. RP confirmed this was correct, it doesn't change the methodology it just defers the effective date.

RH challenged whether this modification is an alternative as both could be implemented and his understanding is that true alternatives should not be able to be implemented together. GJ felt it is beneficial to keep the modifications together due to the range of charging amendments due over the next months, it will help with the assessment process and allow parties to compare the impacts of each.

AP felt that assessment was required and that the modification should be issued to Workgroup 0517 so that the workgroup can consider the alternate status.

PB asked if National Grid NTS were willing to incorporate the proposed differences contained in 0517A into 0517? RH agreed this was an option but he did not want to delay the process by considering this as any delay is continuing the problem being addressed.

For Modification 0517A, Members determined:

- To consider at short notice;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on commercial arrangements between Transporters and Shippers;
- That modification 0517A be issued to Workgroup 0517 for assessment with a report presented by the April 2015 Panel.

b) Modification 0520 - Performance Assurance Reporting

GJ introduced the modification and its aims. LJ asked why this modification is standalone and why it isn't included in Modification 0506 - Gas Performance Assurance Framework and Governance Arrangements. CW was convinced the modification should standalone as it provides a mechanism to allow transporters to disclose protected information and the industry should be allowed to consider this aspect in isolation to other modifications.

For Modification 0520, Members determined:

- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition;
- That modification 0520 be issued to Workgroup 0520 for assessment with a report presented by the June 2015 Panel.

c) *Modification 0521 – Revision of User Admission Criteria to include Transporter verification of its ability to transact with the Applicant User*

RH introduced the modification and its aims. JF noted the process proposed, although from a DN perspective they would apply sanctions until the User could demonstrate compliance with Code.

RP challenged the intent of the 3rd business rule. However, RH clarified that each rule is considered consecutively and not in isolation.

MC confirmed Energy Balancing Credit Committee (EBCC) was aware of the content and intent of the modification and EBCC members were supportive of the changes proposed.

RF would prefer if the modification were issued to workgroup for discussion to ensure the intent is understood. However, due to the specialist nature it may be desirable to issue to consultation to seek wider views from the industry.

CW wanted to understand the reasons why the modification should be considered for Self-Governance? RH explained that the modification has User impacts as it changes their entry requirements and it mitigates a material risk to existing Users and therefore is not suitable for Self-Governance.

ARo would like to see respondents provide views on the content and intent of the legal text and the overall impacts of implementation.

RH confirmed the legal text provided was suitable for inclusion in the Draft Modification Report and should be considered final.

For Modification 0521, Members determined:

- To consider at short notice;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition;
- It should proceed to consultation;
- Further legal text is not required for inclusion in the draft Modification Report;

- A cost estimate is not required for inclusion in the draft Modification Report;
- Consultation should close on 16 January 2015;
- Special Panel meeting is to be held on 23 January 2015 at 09.30am.

169.6 Existing Modification Proposals for Reconsideration

a) Modification 0440 – Project Nexus – iGT Single Service Provision

ARo advised that an informal consultation on iGT licence changes had been issued and Ofgem intends to provide a report on the consultation conclusions at the January Panel.

CW asked if there is a consequential impact on Modification iGT039. AR advised that Ofgem were of the opinion that UNC and iGT modifications could proceed and be decided upon separately.

It is anticipated that the Modification 0440 decision will be provided by the time the licence changes come into effect.

Members unanimously agreed to defer consideration to the January Panel.

169.7 Consider Workgroup Issues

Workgroup Reports for Consideration

a) Modification 0479S 0479A - Inclusion of email as a valid UNC communication

JF requested Panel to consider decoupling these modifications to allow 0479S to continue as its progress had been delayed and that 0479A should be allowed to focus on governance arrangements, which could follow at a later date.

RF was concerned that Panel were taking a view without the workgroup considering or agreeing to such a process, he felt that it sets a precedent to allow decoupling of alternates based on a preference rather than content. RP felt that as 0479S is completed it should not be unduly delayed.

JF proposed that the Self-Governance status should be considered during consultation if this helps with the process to separate these modifications.

PB would like to see the modifications make progress together, however he would support decoupling to prevent further delay to 0479S.

ARo was frustrated at the delays to progressing these modifications when BSC implemented similar changes 10 years earlier.

Members then determined that:

- That Modification 0479A is not an alternative to Modification 0479S and should be renumbered to Modification 0522;
- That Modification 0479S meets the criteria for Self-Governance as it is not expected to have a material impact on competition or UNC parties;
- That Modification 0479S be issued to Workgroup 0479S for assessment with a report presented by the 23 January 2015 Special Panel;
- That Modification 0522 be issued to Workgroup 0522 for assessment with a report presented by the March 2015 Panel.

b) Modification 0512S - Amendment to Section M to be consistent with Faster Switching proposals

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Further legal text is not required for inclusion in the draft Modification Report;
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should be extended to close on 23 January 2015.

c) Modification 0515S - Resolution timescales for SRVs and USRVs following Project Nexus Implementation

RH asked if Shipper representatives present were content that this modification remains as Self-Governance. No issues were raised regarding the Self-Governance status.

CW confirmed the legal text provided was suitable for inclusion in the Draft Modification Report and should be considered final.

Members accepted the recommendations in the Workgroup Report:

- It should proceed to consultation;
- Further legal text is not required for inclusion in the draft Modification Report;
- A cost estimate is not required for inclusion in the draft Modification Report; and
- Consultation should close on 23 January 2015.

Requests:

Members determined unanimously to extend the following Workgroup reporting dates:

Workgroup	Reporting Date
0511 - Introduction of an Enduring Solution for managing Advanced Meters in central systems post Nexus	March 2015
0516 - Information provision by large Customers to aid understanding of site characteristics	March 2015

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

Modification
0501C - Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations including a capped capacity return option and an aggregate overrun regime
0517 - Review of the Supply Matching Merit Order in Setting Capacity Charges
0517A - Review of the Supply Matching Merit Order in Setting Capacity Charges and Timing of Resultant Price Changes

169.8 Final Modification Reports

- a) Modification 0445 - Amendment to the arrangements for Daily Metered Supply Point Capacity

ARo explained the reasons why Ofgem had returned the Final Modification Report, referring to their letter dated 21 November 2014 and their request for further analysis that supported the requirement to remove Bottom Stop SOQ.

CW explained that the issues had been discussed at Distribution Workgroup prior to Panel and actions had been agreed to consider the provision of additional information to support Ofgems requests. Transporters were going to consider previous requests received when the temporary arrangements were in place to evaluate how these had impacted the networks available capacity and need for reinforcement.

Members then determined that:

- Modifications 0445 be issued to Workgroup 0445 for further assessment with a report presented by the February 2015 Panel.

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

CW explained the workgroup required further time to assess these modifications and that a variation may be required to the alternative modification to remove the requirements on telemetered sites.

Members then determined:

- To consider at short notice;
- That Modifications 0466/0466A be issued to Workgroup 0466 for further assessment with a report presented by the February 2015 Panel.

c) Modification 0469S - Transporter Gas Safety Visit Reporting

Members determined unanimously to implement Modification 0469S.

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0469

d) Modification 0514 - Extending the Daily Metered 'voluntary' service to Project Nexus Implementation Date plus six months

Members determined unanimously to recommend implementation of Modification 0514.

For Panel discussion see the Final Modification Report published at www.gasgovernance.co.uk/0514

169.9 Any Other Business

a) Code Administrators Code of Practice Annual Review Report

BF provided an overview of the recent Code Administrators Code of Practice Annual Review meeting and associated report. Members noted that the hosting Code Administrator would issue a consultation request prior to the next annual review meeting.

Members unanimously supported the report recommendations.

b) Cross Gas Codes Final Report on Industry Data Quality, Ownership and Governance

BF provided an overview of the report and its recommendations. Advising that both SPAA Executive and iGT Panel had approved the report for submission to Ofgem. He also advised that the electricity Code administrators had submitted their report to Ofgem. A joint energy meeting is to be coordinated with Ofgem to consider the next steps.

JF confirmed that a number of parties present at the SPAA Executive meeting had expressed an interest in attending the meeting with Ofgem to discuss the report recommendations.

Members unanimously supported the report recommendations.

c) National Grid NTS – Change of Panel Representative

RH advised that he was stepping down as Panel representative and that Fergus Healey would be nominated to attend as the National Grid NTS representative at future meetings.

The Panel Chair thanked RH on behalf of members for his contributions during his time as a Panel representative.

169.10 Conclude Meeting and Agree Date of Next Meeting

10:30 15 January 2015, at the ENA.