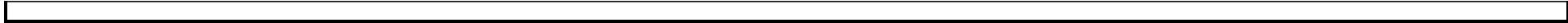


Record of Determinations: Panel Meeting, 21 February 2013

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Representative	Determination Sought	
		AG	CH	CWr	PB	RF	CWa	EM	JF	RH	RCH	ER		
0428A – Single Meter Supply Points	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	Is not a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0428 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup
	Text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal Text
0446 - Correction to termination date in TPD Section X4	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	Is a Self-Governance Modification - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Modification should follow Self-Governance Procedures
	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal Text
	Legal text not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in DMR
	Cost estimate not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in DMR
	Consultation to end on 12 March 2013 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Shorten consultation to close out on 12 March
0447 - Exception to Code Cut Off Date for energy Balancing debt Recovery purposes	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	Is a Self-Governance Modification - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Modification should follow Self-Governance Procedures
	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal Text
0425 – Re-establishment of Supply Meter	Proceed to consultation - 10 votes in favour and 1 vote against	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	Issue to Consultation	

Points – Shipperless sites	Legal text required - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Legal text not required for inclusion in DMR
0429 – Customer Settlement Error Claims Process	Returned to Workgroup - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Return to Workgroup for further assessment
	Workgroup to report by the May Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the May 2013 Panel
0437S – Retention of MAM Id in Transporter Systems at Change of Shipper	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Legal text not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in DMR
	Cost estimate not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in DMR
	Consultation to end on 05 April 2013 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend consultation to close out on 5 April
0439 – Notice for Enduring Annual Exit (Flat) Capacity Reduction Applications	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
0418A - Review of LDZ Customer Charges	Text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Text
0418 - Review of LDZ Customer Charges	Workgroup to report by May 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by May 2013 Panel
0428 - Single Meter Supply Points	Workgroup to report by April 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by April 2013 Panel
0431S - Shipper/Transporter - Meter Point Portfolio Reconciliation	Workgroup to report by July 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by July 2013 Panel
0432 - Project Nexus – gas settlement reform	Workgroup to report by June 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by June 2013 Panel
0434 - Project Nexus – Retrospective Adjustment	Workgroup to report by June 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by June 2013 Panel

0435 - Arrangements to better secure firm gas supplies for GB customers	Workgroup to report by June 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by June 2013 Panel
0395 - Limitation on Retrospective Invoicing and Invoice Correction	Consideration deferred - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer Consideration
0398 - Limitation on Retrospective Invoicing and Invoice Correction (3 to 4 year solution)	Consideration deferred - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer Consideration
0422 – Creating the permission to release data to Meter Asset Provider organisations	Not returned to Workgroup - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implementation Recommended - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to recommend implementation
0430 – Inclusion of data items relevant to smart metering into existing industry systems	Not returned to Workgroup - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implementation Recommended - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to recommend implementation
0438S – Update of UNC TPD Section Y to reflect Exit Reform arrangements	Not returned to Workgroup - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implemented - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to implement
0444S – Changes to reflect demerger by APX of OCM Trading System Operator from the Trading System Clearer	Not returned to Workgroup - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implemented - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to implement
Consent to Modify C050 - Revision to the legal text associated with the implementation of UNC Modification 0420 New Connections Interruptible loads	Consent to modify route recommended - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Recommend Ofgem consider Consent to Modify



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

UNC Modification Panel

Minutes of the 137th Meeting held on Thursday 21 February 2013 at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
A Green* (AG), Total C Hill (CH), First Utility C Wright (CWr), British Gas P Broom (PB), GDF Suez R Fairholme (RF), EON UK	C Warner (CWa), National Grid Distribution E Melen (EM), Scotia Gas Networks J Ferguson (JF), Northern Gas Networks R Hewitt (RH), National Grid NTS R Cameron-Higgs* (RCH), Wales & West Utilities	E Reed (ER), Consumer Focus

Non-Voting Members:

Ofgem Representative	Terminal Operators' Representative	Chairman
		T Davis (TD), Joint Office

Also in Attendance:

A Miller (AM), Xoserve; A Raper (AR), National Grid Distribution; A Sheikh (AS), Ofgem; E Thorburn (ET), Ofgem; H Burden (HB), National Grid NTS; R Fletcher (RF), Panel Secretary and S Mulinganie* (SM), Gazprom.

* by teleconference

Record of Discussions

137.1 Note of any alternates attending meeting

E Melen for A Musgrave (Scotia Gas Networks)

R Cameron-Higgs for S Edwards (Wales & West Utilities)

137.2 Record of Apologies for absence

A Musgrave and S Edwards.

137.3 Minutes of the Last Meeting

The minutes of the last meeting were then approved.

137.4 Consider New, Non-Urgent Modifications

a) Modification 0428A – Single Meter Supply Points

SM introduced the modification and its aims. He was concerned that Modification 0428 has material impacts on the industry and this alternative is aimed at protecting consumers who have made investment decisions based on the rules in place at the time. No Panel Members felt this modification should be considered to be other than an alternative to Modification 0428.

AR asked why the modification was linked to Project Nexus - couldn't it be implemented earlier. SM indicated this mirrored the original modification, though he didn't think it would be an issue if it were implemented earlier.

For Modification 0428A, 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 could have a material impact on some consumers and Shippers;
- The modification be issued to Workgroup 0428 for assessment; and
- Legal Text should be prepared by the Transporters.

The Workgroup was asked to consider potential undue discrimination issues associated with the modification.

b) Modification 0446 - Correction to termination date in TPD Section X4

RH introduced the modification and its aims. AS asked why the legal text refers to the termination date as on or after, rather than just on the date of termination. RH advised this was based on the receipt of termination instructions received from EBCC and any conditions they may request in terms of termination procedures, thereby creating some flexibility.

For Modification 0446, 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 charges, consumers or competition;
- Legal Text should be prepared by the Transporters (RH confirmed the Suggested Text could be regarded as Text);
- The modification should be issued to consultation;
- Legal Text and a cost estimate are not required for inclusion in the Draft Modification Report;
- Consultation should end on 12 March 2013.

c) Modification 0447 - Exception to Code Cut Off Date for energy Balancing debt Recovery purposes

RH introduced the modification and its aims. AS asked if there is view on the potential monetary value impacted by this modification. RH advised that this modification is about debt recovery on behalf of the industry and it is a matter of principle that any monies recovered should not be held in the neutrality account when it could be redistributed to those who had incurred the costs previously.

AM advised that Xoserve had some uncertainty about the invoicing aspects of the modification and how the monies were to be allocated back to the industry in practice. He suggested it may be useful to discuss potential options at an industry meeting so that they are understood and views on the best approach can be sought. AM agreed that it should be possible to identify options, and associated costs, during the consultation period.

For Modification 0447, 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 would not have a material impact on charges, consumers or competition;
- Legal Text should be prepared by the Transporters;
- The modification should be issued to consultation.

137.5 Consider Workgroup Issues

Workgroup Reports for Consideration

- a) Modification 0425 – Re-establishment of Supply Meter Points – Shipperless sites

CWa explained that the text had been amended following the publication of the Workgroup Report, though these changes do not amend the intent of the text or modification. PB asked if the text makes allowances for retrospective registration. CWa advised it did even though this is out of step with the usual principle that modifications should not be retrospective.

RH asked if the proposed Solution could be explained: it appears to give an overview of the issue and it is not clear what is being proposed. AS supported this view.

Members accepted the recommendations in the Workgroup Report and determined that Modification 0425 should proceed to consultation.

- b) Modification 0429 – Customer Settlement Error Claims Process

RH felt there is a conflict between the legal text and the solution in terms of the application of the values proposed in the Initiation of Customer Settlement Error Claims Process. "It is proposed that there is a limit of total materiality of the error that cannot be corrected by the normal reconciliation processes of £50,000 as determined below." This appears to be at odds with the legal text and may be the opposite of what was intended.

Members accepted the recommendation in the Workgroup Report and determined that for, Modification 0429, further Workgroup Assessment is required, with a report presented by the May Panel.

- c) Modification 0437S – Retention of MAM Id in Transporter Systems at Change of Shipper

PB asked why there is a significant cost to change the system to not do something? AM advised that the system currently overwrites the MAM ID, and the system is to be amended to stop doing this. Checks need to be undertaken to ensure the changes to do unwittingly impact other aspects of the record.

Members accepted the recommendation in the Workgroup Report and determined for Modification 0437S that:

- it should proceed to consultation;
- 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 out on 05 April 2013.

- d) Modification 0439 – Notice for Enduring Annual Exit (Flat) Capacity Reduction Applications

Members accepted the recommendation in the Workgroup Report and determined that Modification 0439 should proceed to consultation

Request the Provision of Legal Text

Members determined unanimously to request the provision of text for the following modification:

- a) Modification 0418A - Review of LDZ Customer Charges

Consideration of Workgroup Reporting Dates

- a) Modification 0418 - Review of LDZ Customer Charges

Members determined unanimously to extend the date by which Workgroup 0418 should report, with a report presented by the May Panel.

- b) Modification 0428 - Single Meter Supply Points

Members determined unanimously to extend the date by which Workgroup 0428 should report, with a report presented by the April Panel.

- c) Modification 0431S - Shipper/Transporter - Meter Point Portfolio Reconciliation

Members determined unanimously to extend the date by which Workgroup 0431S should report, with a report presented by the July Panel.

- d) Modification 0432 - Project Nexus – gas settlement reform

Members determined unanimously to extend the date by which Workgroup 0432 should report, with a report presented by the June Panel.

- e) Modification 0434 - Project Nexus – Retrospective Adjustment

Members determined unanimously to extend the date by which Workgroup 0434 should report, with a report presented by the June Panel.

- f) Modification 0435 - Arrangements to better secure firm gas supplies for GB customers

Members determined unanimously to extend the date by which Workgroup 0435 should report, with a report presented by the June Panel.

137.6 Existing Modification Proposals for Reconsideration

- a) Modification 0395 - Limitation on Retrospective Invoicing and Invoice Correction

Members determined unanimously to defer consideration.

- b) Modification 0398 - Limitation on Retrospective Invoicing and Invoice Correction (3 to 4 year solution)

Members determined unanimously to defer consideration.

137.7 Final Modification Reports

- a) Modification 0422 – Creating the permission to release data to Meter Asset Provider organisations

The Panel Chair summarised that this is a facilitating modification that seeks to give permission, subject to conditions, for a limited range of data to be passed to Meter Asset Providers. The modification will not cause any information to flow, but will enable other contractual arrangements to be made such that data can be released.

Members accepted that benefits could arise from information being passed to MAPs, enabling more efficient business operation. This could help to reduce costs across the industry and so be beneficial to competition. They also recognised that risks from data release had been identified in consultation responses, but Members felt any increase in queries would be temporary and offset by a longer term benefit through improved data quality.

By facilitating the release of data that would not otherwise be permitted, Members therefore concluded that implementation of the modification would be consistent with facilitating the achievement of effective competition between Suppliers because it would help to ensure that MAP charges are allocated to the appropriate Supplier, thereby supporting accurate cost allocations.

Members then voted and determined unanimously to recommend that Modification 0422 be implemented.

- b) Modification 0430 – Inclusion of data items relevant to smart metering into existing industry systems

The Panel Chair summarised that some key data items had been identified as being required to support Smart Metering and help deliver interoperability, with the data able to flow between parties and so provide a consistent view of the arrangements at relevant Meter Points. This modification seeks to ensure the identified data is held within Transporter systems in order to meet the identified requirements from a single central source.

Members recognised that establishing a central and consistent dataset would help to ensure that an incoming supplier is aware of the presence

of a smart meter at a property so that they can offer appropriate terms to new customers, and hence implementation would be expected to facilitate the securing of effective competition by delivering a level playing field with consistent information available to potential competitors.

Members recognised that the modification was expected to deliver changes to data fields to support both the enduring and foundation stage of the SMART metering programme. Implementing all the anticipated changes simultaneously is expected to minimise the number of UNC changes required, and allow central systems to be modified at a lower cost than would be expected if piecemeal changes were made as and when necessary. Implementation of the modification would therefore be consistent with facilitating efficiency in the implementation and administration of the UNC.

Members then unanimously determined to recommend that Modification 0430 be implemented.

- c) Modification 0438S – Update of UNC TPD Section Y to reflect Exit Reform arrangements

The Panel Chair summarised that this is a housekeeping modification that seeks to update the NTS Transportation Charging methodology and bring the, now current, requirements set out within an appendix into the main body of the UNC, and also to update some otherwise incorrect references.

Members recognised that this modification seeks to update UNC TPD Section Y so that it properly reflects National Grid Transmission's charging arrangements from 1st October 2012, when Exit Reform was implemented. To that extent, implementation of this modification would better facilitate relevant objective b) in that it ensures the charging methodology properly takes account of developments in the transportation business.

Members then unanimously determined to implement Modification 0438S.

- d) Modification 0444S – Changes to reflect demerger by APX of OCM Trading System Operator from the Trading System Clearer

The Panel Chair summarised that this is a housekeeping modification to reflect the demerger of APX, such that the separate roles of Trading System Operator and Trading System Clearer are appropriately recognised in the UNC.

Members recognised that accurately identifying within the UNC the entities that are party to trades will ensure the UNC reflects the underlying legal position, together with the operation of the market in practice, and hence implementation would be consistent with facilitating the relevant objective of efficiency in the implementation and administration of the Code.

Members then determined unanimously that Self-Governance Modification 0444S be implemented.

137.8 Any Other Business

- a) Consent to Modify C050 - Revision to the legal text associated with the implementation of UNC Modification 0420 New Connections Interruptible loads

EM explained that the text in the Final Modification Report needed clarifying to identify what constitutes a supply point.

Members determined unanimously to recommend that Ofgem consider the Consent to Modify.

137.9 Conclude Meeting and Agree Date of Next Meeting

10:00 28 February 2013 by teleconference

10:30 21 March 2013, at the ENA.