

**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	AR	ARS	EM	RCH	SMc	ER		
0448 - UNC alignment with Transporters' licence requirements for "Network Code and Uniform Network Code" relating to European Regulatory change	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 not 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 0448 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup
	Report to the June Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to Report to the June Panel
0449 - Introduction of Interconnection Points and new processes and transparency requirements to facilitate compliance with the EU Congestion Management Procedures	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 0449 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup
	Report to the June Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to Report to the June Panel
0450 - Monthly revision of erroneous SSP AQs outside the User AQ Review Period	To be considered at short notice - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at short notice
	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 0450 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup
	Report to the September Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to Report to the September Panel
	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation

0436S - Consequential changes to the UNC resulting from RIIO-T1	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
0446S - Correction to termination date in TPD Section X4	Not returned to Workgroup - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implemented - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to implement
0430 – Inclusion of data items relevant to smart metering into existing industry systems	To be considered at short notice -	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at short notice
	Not issued to consultation - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	New issues requiring further consultation

<b>KEY</b>	In favour	Not in Favour	No Vote Cast	Not Present
	✓	X	NV	NP

**UNC Modification Panel**

**Minutes of the 139<sup>th</sup> Meeting held on Thursday 21 March 2013 by Teleconference**

**Attendees**

**Voting Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representative</b>
A Green (AG), Total C Hill (CH), First Utility C Wright (CWr), British Gas P Broom (PB), GDF Suez R Fairholme (RF), EON UK	A Raper (AR), National Grid Distribution A Ross-Shaw (ARS), Northern Gas Networks E Melen (EM), Scotia Gas Networks R Cameron-Higgs (RCH), Wales & West Utilities S McGoldrick (SMc), National Grid NTS	E Reed (ER), Consumer Focus

**Non-Voting Members:**

<b>Ofgem Representative</b>	<b>Terminal Operators' Representative</b>	<b>Chairman</b>
		T Davis (TD), Joint Office

**Also in Attendance:**

A Miller (AM), Xoserve; A Sheikh (AS), Ofgem; E Thorburn (ET), Ofgem and R Fletcher (RF), Panel Secretary

## Record of Discussions

### 139.1 Note of any alternates attending meeting

A Raper for C Warner (National Grid Distribution)  
A Ross-Shaw for J Ferguson (Northern Gas Networks)  
E Melen for A Musgrave (Scotia Gas Networks)  
R Cameron-Higgs for S Edwards (Wales & West Utilities)  
S McGoldrick for R Hewitt (National Grid NTS)

### 139.2 Record of Apologies for absence

A Musgrave, C Warner, J Ferguson, R Hewitt and S Edwards

### 139.3 Minutes of the Last Meeting

The minutes of the last meeting were approved.

### 139.4 Consider New, Non-Urgent Modifications

- a) Modification 0448 - UNC alignment with Transporters' licence requirements for "Network Code and Uniform Network Code" relating to European Regulatory change

SMc introduced the modification and its aims. AS asked why it is proposed that alternatives may not be allowed to a modification raised by the Authority. SMc advised that this is part of the licence requirement. It was agreed to clarify this point at the Workgroup.

PB questioned whether Self Governance is appropriate since, while this modification may not be significant on its own, it has significant implications for subsequent modifications. Other members supported this view, and also felt the principle of Ofgem being able to raise modifications is a material change to the Modification Rules.

For Modification 0448, 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 would have a material impact on the uniform network code governance procedures; and
- The modification be issued to Workgroup 0448 for assessment with a report presented by the June Panel.

- b) Modification 0449 - Introduction of Interconnection Points and new processes and transparency requirements to facilitate compliance with the EU Congestion Management Procedures

SMc introduced the modification and its aims. AS advised that Ofgem had concerns around the proposed process for surrendering capacity and asked if these could be included in the Workgroup Terms of Reference,

the detail of which he would provide by email. SMC suggested that the modification mirrored the European requirements and felt it could be problematic if Ofgem had concerns about the underlying requirements as opposed to compliance with the obligations as drafted.

For Modification 0449, 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 would have an impact on Users and their NTS Entry and NTS Exit Capacity booking requirements at Interconnection Points; and
- The modification be issued to Workgroup 0449 for assessment with a report presented by the June Panel.

Issues for the Terms of Reference and Workgroup

- Appropriacy of capacity surrender process (concerns to be expanded by Ofgem); and
  - Whether it is unduly discriminatory to apply rules at interconnection points only.
- c) Modification 0450 - Monthly revision of erroneous SSP AQs outside the User AQ Review Period

CH introduced the modification and its aims. AM asked if the modification will be end dated should Modification 0432 be implemented. CH felt this should be discussed in the Workgroup, while TD suggested this may be a matter for 0432.

For Modification 0450, Members determined:

- to consider the modification at short notice
- 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 likely to have a material impact on cost allocations and so on competition between Shippers; and
- The modification be issued to Workgroup 0450 for assessment with a report presented by the September Panel.

### **139.6 Consider Legal Text**

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

No issues were raised, the Draft Modification Report is to be issued to consultation.

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

No issues were raised, the Draft Modification Report is to be issued to consultation.

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

No issues were raised, the Draft Modification Report is to be issued to consultation.

### **139.7 Consider Workgroup Issues**

#### **Workgroup Reports for Consideration**

- a) Modification 0436S - Consequential changes to the UNC resulting from RIIO-T1

Members accepted the recommendation in the Workgroup Report and determined for Modification 0436S 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.

### **139.8 Consent to Modify**

- a) Modification Consent 050 - Revision to the legal text associated with the implementation of UNC Modification 0420 New Connections Interruptible loads

AS advised that Ofgem consideration is ongoing.

### **139.9 Final Modification Reports**

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

The Panel Chair summarised that this modification seeks to reduce potential Shipper exposure in the event of Shipper default. The EBCC (Energy Balancing Credit Committee) periodically considers whether UNC changes are desirable, and Modification 0234 was an example of this. Modification 0446 corrects a reference that was missed by 0234 in order to reduce potential exposure to energy balancing costs for an additional day in the event of Termination.

Members recognised that implementation could reduce the level of energy balancing costs incurred by a terminated User, and so reduce the level of bad debts passed to other Users. Implementation could therefore facilitate

more appropriate cost allocations and reduce the level of risk faced by Users, and hence facilitate the securing of effective competition.

Members also recognised that the UNC contains a potential inconsistency following implementation of Modification 0234. Implementation of Modification 0446S would remove any ambiguity regarding when energy balancing costs can be incurred, and this removal would be consistent with facilitating efficient implementation and administration of the UNC.

Members then voted unanimously that Modification 0446S be implemented.

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

TD explained the changes in the text, advising the implementation date is to be designated by the UK Link committee rather than Ofgem. Members did not believe this was a sufficiently material change to justify further consultation being undertaken.

AS advised that Ofgem has concerns with the proposed Agency Charging Statement (ACS) that supports this modification, and intend to discuss this with Xoserve.

Members determined unanimously to consider the Final Modification Report at short notice and not to issue the modification for further consultation.

#### **139.10 Any Other Business**

- a) Provision of Legal text

AG raised his concerns about the provision of legal text for Modification 0410 and asked whether, to help ensure no further delay is experienced, the Panel could request its provision again. AG added that, while 0410 was a case in point, he had a wider concern about the provision of text and its timeliness. It was agreed this should be raised as an issue for consideration by the Governance Workgroup.

- b) Joint Office KPIs

TD noted that the next quarterly KPI report was due for presentation at the April Panel and asked if members valued this or felt the annual report prepared in accordance with the Code Administration Code of Practice is sufficient. Members agreed that only the annual CACOP report should be produced in future.

#### **139.11 Conclude Meeting and Agree Date of Next Meeting**

10:30 18 April 2013, at the ENA.