

Record of Determinations: Panel Meeting, 19 July 2012

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Determination Sought
		AG	CH	CWr	PB	RF	CWa	EM	JF	JF (SE)	RH	
0412 - Changes to the Stages of Emergency Resulting from Changes Introduced by Exit Reform	To be considered at short notice - with 8 votes in favour, 1 abstention and 1 vote against	✓	✓	✓	X	✓	✓	✓	✓	NV	✓	Consider at short notice
0430 - Inclusion of data items relevant to smart metering into existing industry systems	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	Is not a Self-Governance Modification - with 7 votes against and 3 abstentions	NV	NV	X	X	NV	X	X	X	X	✓	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0430 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup
	Workgroup to report by the November 2012 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the November 2012 Panel
0407 – Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users	Consideration Deferred - with 9 votes in favour and 1 vote against	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	Defer Consideration
0416S - Extending the data provision permissions created by Modification 0279 regarding historic asset and read data	Consultation to close on 07 September 2012 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consultation to close on 07 September 2012
0421 - Provision for an AQ Review Audit	Issued to Workgroup 0421 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup
	Workgroup to report by the October 2012 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the October 2012 Panel
	Issued to Workgroup 0379 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup

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

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives
A Green* (AG), Total C Hill (CH), First Utility C Wright (CWr), British Gas P Broom* (PB) GDF Suez R Fairholme (RF), E.ON UK	C Warner (CWa), National Grid Distribution E Melen (EM), Scotia Gas Networks J Ferguson (JF), Northern Gas Networks and alternate for S Edwards, Wales & West Utilities R Hewitt (RH), National Grid NTS

Non-Voting Members:

Ofgem Representative	Terminal Operators' Representative	Chairman
J Dixon* (JD)		T Davis (TD), Joint Office

Also in Attendance:

A Clasper (AC), National Grid Distribution; A Miller (AM), Xoserve; B Murphy (BM), WatersWye; B Smith (BS), National Grid NTS; D Ianora* (DI), Ofgem; D Mitchell (DM), Scotia Gas Networks; G Evans (GE), WatersWye; H Cuin (Joint Office); J Varney (JV), National Grid NTS; M Clarke* (MC), ScottishPower and R Fletcher (RF), Panel Secretary

*** denotes by teleconference**

Record of Discussions

127.1 Note of any alternates attending meeting

E Melen for A Gibson (Scotia Gas Networks)

J Ferguson for S Edwards (Wales & West Utilities)

127.2 Record of Apologies for absence

A Gibson and S Edwards

127.3 Minutes of the Last Meeting

The minutes of the last meeting were approved.

127.4 Short Notice Items

- a) *Modification 0412 - Changes to the Stages of Emergency Resulting from Changes Introduced by Exit Reform*

Following a short discussion, the Panel determined to consider the Final Modification Report at short notice.

127.5 Consider New, Non-Urgent Modifications

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

JF introduced the modification and its aims. She was ambivalent as to whether the modification should follow self-governance procedures. DI advised that Ofgem felt the modification should not be self-governance so that it can be considered alongside other modifications associated with smart metering.

RH would like to see the solution clarified, for example, to define what “timely manner” means, and to set out what benefits will be accrued.

For Modification 0430, 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 involves the release of may have impacts on other industry initiatives;
- Workgroup Assessment is required, with a report presented to Panel by November 2012.

127.5 Consider Legal Text

- a) Modification 0407 – Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users

RH was concerned that the text does not reflect the proposal as set out in the modification and, given this, one or other needs amendment. He advised that the NTS impact analysis has been commissioned from GL Denton, who have advised that the work will take 4 to 5 months to complete.

DI was concerned that the analysis is to take so long, and questioned the reasons behind this – and said Ofgem would like the analysis to be completed in 3 months. She also asked how long the DNOs are likely to take with their analysis. JF indicated that analysis was expected to take about 2 months.

CWa asked if there is an intention to review the analysis in the Workgroup. JF felt the information could be made available to inform consultation responses rather than necessarily being considered by a workgroup.

For Modification 0407 Members determined that consideration of the modification should be deferred until analysis is available.

- b) Modification 0416S - Extending the data provision permissions created by Modification 0279 regarding historic asset and read data provision

No issues were raised regarding the text, and Modification 0416S will therefore be issued to consultation, with Members agreeing a closing date of 07 September 2012.

- c) Modification - 0421 - Provision for an AQ Review Audit

RH advised that some aspects of the text appear to go further than is proposed in the modification – this should not be the case otherwise the modification may be sent back by Ofgem.

MC advised that Scottish Power had reviewed the text and that they had raised some queries with Wales & West Utilities and the business rules had been modified in light of feedback with a view to ensuring consistency with the text. JF advised that Wales & West Utilities consider the text incomplete, though still think the modification could proceed to consultation.

DI advised that Ofgem do not think the modification is ready for consultation and that the benefits need to be identified in the report. MC accepted that, following discussions with Ofgem, there needs to be more clarity and review of the benefits case.

CWa asked if enough information has been provided on costs. DI advised that the issue is understanding the benefits rather than the level of costs. However, the cost of implementing Modification 0421 and 0379 simultaneously would be of interest as there could be economies of

scope. AM agreed that some implementation costs may be avoidable should both 0379 and 0421 be implemented at the same time, but he was not aware of the materiality of this.

MC expressed her disappointment that text had not been provided earlier with time available to address issues raised.

For Modification 0421 members determined:

- Further Workgroup Assessment is required, with a report presented to Panel by the October 2012.

127.6 Consider Workgroup Issues

Workgroup Reports for Consideration

a) Modification 0379 - Provision for an AQ Review Audit

Members did not accept the Workgroup Report and determined that for Modification 0379:

- Further Workgroup Assessment is required, with a report presented to Panel by the October 2012.

b) Modification 0384S - UNC Modification Rules; housekeeping, clarity and minor drafting changes

Members accepted the additions to the revised Final Modification Report and determined that Modification 0384S:

- should proceed to consultation.

c) Modification 0415 - Revision of the Gas Balancing Alert Arrangements

Members accepted the Workgroup Report and determined that Modification 0415:

- should proceed to consultation, with a closing date of 07 September 2012;
- that legal text is not required for inclusion in the draft Modification Report; and

that a cost estimate is not required for inclusion in the draft Modification Report.

Consider Workgroup Report Dates

The Panel reviewed the work plan for modifications currently under assessment and no reporting dates were amended.

127.7 Existing Modification Proposals for Reconsideration

- a) Modification 0335 - Offtake Metering Error - Payment Timescales;

For Modification 0335, Members determined that consideration of the modification should be deferred.

- b) Modification 0335A - Significant Offtake Metering Error - Small Shipper Payment Timescales

For Modification 0335A, Members determined that consideration of the modification should be deferred.

- c) Modification 0378 - Greater Transparency over AQ Appeal Performance

For Modification 0378 Members determined that consideration of the modification should be deferred.

127.8 Consider Final Modification Reports

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

Members were concerned that additional information and issues were raised during, and subsequent to, consultation and that these would benefit from further assessment by a Workgroup. DI agreed that the FMR should be reconsidered before Members reconsider their recommendation at the August Panel meeting.

For Modification 0395 Members determined that consideration of the modification should be deferred.

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

Members were concerned that additional information and issues were raised during, and subsequent to, consultation and that these would benefit from further assessment by a Workgroup. DI agreed that the FMR should be reconsidered before Members reconsider their recommendation at the August Panel meeting.

For Modification 0398 Members determined that consideration of the modification should be deferred.

- c) *Modification 0412 - Changes to the Stages of Emergency Resulting from Changes Introduced by Exit Reform*

The Panel Chair summarised that this modification proposes to align the UNC with the proposed NEC Safety Case in order to reflect the enduring exit regime introduced by Modifications 0090 and 0195AV. While this will not impact the steps taken in practice, since the NEC Safety Case would in any event take precedence, aligning the two will help to ensure all parties are clear about the steps to be taken.

Members noted that aligning the UNC with the NEC Safety Case, and providing increased clarity, is consistent with promoting efficiency in the implementation and administration of the Code. It was also felt that the additional clarity provided through alignment would be consistent with facilitating efficient system operation since expectations would be clearer and potentially require less intervention to ensure all necessary steps are taken in the event of an emergency.

J Ferguson indicated that, since this Modification was being considered at short notice, she would abstain on behalf of S Edwards since she was unsure whether or not he would support implementation.

Panel Members then voted and, with nine votes in favour and one abstention, determined to recommend that Modification 0412 be implemented.

- d) Modification 0423S - Removing the UNC TPD Section O requirement to publish nodal forecast data only at the same time as the Ten Year Statement

The Panel Chair summarised that this modification seeks to remove a restriction on when National Grid NTS can publish information regarding nodal exit demand, which is used within transportation charge setting models. Implementation of this modification could therefore facilitate Users accessing the most up-to-date forecast demand data, and enables National Grid NTS to publish the data as and when the nodal exit demand forecast data is updated.

Members noted that aligning the publication of data with updates to data used in the charge setting processes would allow Users to replicate the charge setting process in a timelier manner and would provide improved transparency of data used in the setting of charges. Providing the market with improved information will allow better informed decisions to be taken, and will therefore facilitate the securing of effective competition between Shippers.

Panel members then voted and determined unanimously that Modification 0423S should be implemented.

127.10 Any Other Business

- a) Q2 2012 Code of practice KPIs

TD presented an overview of the Q2 KPIs, highlighting the most significant changes in performance over the quarter.

- b) Customer Representative

DI advised that discussions were on going to see if short-term meeting attendance could be arranged until a party suitable for permanent membership can be identified.

127.11 Conclude Meeting and Agree Date of Next Meeting

10:30 16 August 2012, at the ENA.