

Record of Determinations: Panel Meeting, 21 April 2011

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Determination Sought
		AB (RS)	MY	PB (RS)	RF	SL (RF)	CS	CWa	JF	JM	ST	
0371 -Unsecured Credit Limit allocated through payment history - late payments	Consideration deferred to the May Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration to the May Panel
0373 - Governance of NTS connection processes	Not related to the Significant Code Review - unanimous vote	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	Not a Self-Governance Modification with no votes in favour, 8 votes against	X	NV	X	X	X	X	X	X	X	NV	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0373 for assesment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for assessment
	Workgroup to report by October Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by October Panel
0375 - To provide Users with a choice as to how their Unsecured Credit Limit is determined in line with UNC TPD Section V 3.1.7	Not related to the Significant Code Review - unanimous vote	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	Not a Self-Governance Modification unanimous vote against	X	X	X	X	X	X	X	X	X	X	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0375 for assesment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for assessment
	Workgroup to report by July Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by July Panel
0376 - Increased Choice when Applying for NTS Exit Capacity	Not related to the Significant Code Review - unanimous vote	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	0376 is a Self Governance Modification - 6 votes in favour, 2 against	X	✓	X	NV	NV	✓	✓	✓	✓	✓	Modification should follow Self-Governance Procedures
	Proposed Self Governance Determination Date to be 20 October 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Proposed Self Governance Determination Date to be 20 October 2011
	Issued to Workgroup 0376 for assesment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for assessment
	Workgroup to report by October Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by October Panel
	Not related to the Significant Code Review - unanimous vote	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review

0360 - Removal of Credit Rating Restrictions from Definition of Parent Company	Cost estimate not required - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in the Draft Modification Report
	Legal text not required - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in the Draft Modification Report
0362 - Use of 'notional Meter Readings' and 'Agreed Opening Meter Readings' for Individual CSEP Reconciliation	Proceed to consultation - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Cost estimate not required - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in the Draft Modification Report
	Legal text not required - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in the Draft Modification Report
0367 - Interruptible to Firm – Supply Point Transition	Proceed to consultation - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Cost estimate not required - 5 votes in favour	NV	NV	NV	X	NV	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in the Draft Modification Report
	Legal text not required - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in the Draft Modification Report
0330 - Delivery of additional analysis and derivation of Seasonal normal weather	Extension to June Panel agreed - unanimous vote	✓	✓	✓	NP	NP	✓	✓	✓	✓	✓	✓	Extension to June requested
0331 - Demand Estimation Section H Changes to Processes and Responsibilities	Extension to June Panel agreed - unanimous vote	✓	✓	✓	NP	NP	✓	✓	✓	✓	✓	✓	Extension to June requested
0334 - Post Implementation Review of Central Systems Funding and Governance Arrangements	Extension to July Panel agreed - unanimous vote	✓	✓	✓	NP	NP	✓	✓	✓	✓	✓	✓	Extension to July requested
0335 - Offtake Metering Error - Payment Timescales	Extension to July Panel agreed - unanimous vote	✓	✓	✓	NP	NP	✓	✓	✓	✓	✓	✓	Extension to July requested
0338 - Remove the UNC requirement for a 'gas trader' User to hold a Gas Shipper Licence	Extension to July Panel agreed - unanimous vote	✓	✓	✓	NP	NP	✓	✓	✓	✓	✓	✓	Extension to July requested
0343 - The ability and requirement for Users and Transporters to raise issues to be considered by the Allocation of Unidentified Gas Expert as "known" issues	Extension to June Panel agreed - unanimous vote	✓	✓	✓	NP	NP	✓	✓	✓	✓	✓	✓	Extension to July requested
0352 - The Introduction of an Interruptible Reverse Flow service at Moffat Interconnector	Extension to July Panel agreed - unanimous vote	✓	✓	✓	NP	NP	✓	✓	✓	✓	✓	✓	Extension to July requested

0363 - Commercial Arrangements for NTS Commingling Facilities	Extension to July Panel agreed - unanimous vote	✓	✓	✓	NP	NP	✓	✓	✓	✓	✓	✓	Extension to July requested
0349 - Introduction of a Force Majeure Capacity Management Arrangement	Consideration deferred to the May Panel - Unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration to the May Panel
0348 - NTS Optional Commodity tariff – update to application rules	No new issues identified with no votes cast in favour												Did consultation raise new issues
	Implementation is recommended with 9 vote cast in favour	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to recommend implementation
0350 - Combining the NTS entry capacity and exit capacity credit checks	No new issues identified with no votes cast in favour												Did consultation raise new issues
	Implementation is recommended - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to recommend implementation
0355 - Alignment of CV and Wobbe Limits at NTS System Entry Points	No new issues identified with no votes cast in favour	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Determined to implement - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Determin to implement modification
	Implementation date to be 20 May 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Implementation date 20 May 2011
0370 - Continuation of CV determination by National Grid Transmission on behalf of DNO	No new issues identified with no votes cast in favour	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Determined to implement with 8 votes cast in favour	NV	NV	✓	✓	✓	✓	✓	✓	✓	✓	✓	Determin to implement modification
	Implementation date to be 20 May 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Implementation date 20 May 2011

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

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
M Young, British Gas (MY) R Fairholme, E.ON UK (RF) and alternate for S Leedham, EDF Energy R Street Corona Energy (RS) alternate for A Bal, Shell and P Broom, GDF Suez	C Shanley, National Grid Transmission (CS) C Warner, National Grid Distribution (CWa) J Ferguson, Northern Gas Networks (JF) J Martin, Scotia Gas Networks (JM) S Trivella, Wales & West Utilities (ST)	

Non-Voting Members:

Independent Suppliers' Representative	Ofgem Representative	Chairman
	J Dixon (JD)	T Davis, Joint Office (TD)

Also in Attendance:

A Miller , Xoserve (AM), B Fletcher, Panel Secretary (BF), G Evans, Waters Wye (GE), J Vignola, Centrica Storage (JV) and J Wisdom, RWE npower (JW)

By teleconference

J Chandler, SSE (JC) and T Connolly, Scottish Power (TC)

Record of Discussions

110.1 Note of any alternates attending meeting

C Shanley for R Hewitt, National Grid NTS
J Martin for A Gibson, Scotia Gas Networks
M Young for C Wright, British Gas
R Fairholme for S Leedham, EDF Energy
R Street for A Bal, Shell and P Broom GDF Suez

110.2 Record of Apologies for absence

A Bal, Shell, A Gibson, Scotia Gas Networks, C Hill, First Utility, C Wright, British Gas, S Leedham, EDF Energy and R Hall, Consumer Focus

110.3 Consider New, Non-Urgent Modifications

- a) Modification 0371 - Unsecured Credit Limit allocated through payment history – late payments

TD explained that the modification was deferred by Panel the previous month. No further guidance has been received from the proposer regarding how they wish the modification to proceed, but Panel members noted that the envisaged provisions are due to be implemented as part of Modification 0305 in July 2011. Members therefore determined that consideration of Modification 0371 should be deferred to the May Panel.

- b) Modification 0373 - Governance of NTS connection processes

RF introduced the modification and its aims, requesting that the modification should be sent for assessment for 6 months. CS expressed concerns that the modification should not follow self-governance procedures; is unlikely to complete the assessment phase within six months due to the nature of the subject; and that the issues may fall under RIIO. RS felt the modification met the self-governance criteria though he did understand some of the concerns raised.

Following discussion, Members determined that Modification 0373:

- is not related to the Significant Code Review as it is not a related subject;
- does not meet the criteria for Self-Governance as it may impact competition between Shippers;
- should be issued to a Workgroup for assessment, with a report presented by the October Panel.

- c) Modification 0375 - To provide Users with a choice as to how their Unsecured Credit Limit is determined in line with UNC TPD Section V 3.1.7

GE introduced the modification on behalf of the proposer, explaining that the User should be able to choose which credit rating is used rather than

the lower assessment being automatically adopted, as proposed in Modification 0305.

ST considered that the modification should be issued to a workgroup as it lacks analysis on why the “lesser of” rule should not be used. GE asked if this is to provide a view on the modification’s impact, as it is unlikely that the proposer will change the content/solution? ST did not believe there is sufficient justification of the change within the modification and it should be assessed at a workgroup to ensure the right level of analysis is produced.

JD advised that Ofgem have concerns that the modification lacks analysis to justify why the assessment process is to be changed, and a view from a workgroup was likely to be valuable. JD suggested that Ofgem would like to see detailed analysis of how the table would be modified, how the two processes would work in practice and the difference in value between the two assessments. GE was concerned that the modification could become a conduit to review all the credit arrangements and not just this solution to a particular issue.

Following discussion, Members determined that Modification 0375:

- is not related to the Significant Code Review as it is not a related subject;
- does not meet the criteria for Self-Governance as it would potentially impact competition between Shippers;
- should be issued to a Workgroup for assessment, with a report presented by the July Panel.

The Panel requests the Workgroup to consider

- the materiality of the modification;
- the potential differences in values between the assessments;
- how the table would be modified and operated in practice.

d) Modification 0376 - Increased Choice when Applying for NTS Exit Capacity

JC introduced the modification and its aims.

Both RS and JF considered the modification failed to meet the criteria for Self-Governance since it may impact some customers.

Following discussion, Members determined that Modification 0376:

- is not related to the Significant Code Review as it is not a related subject;
- meets the criteria for Self-Governance, with a Proposed Self-Governance Determination date of 20 October 2011, as it was felt that the proposed changes were unlikely to impact whether or not a project proceeds, although the timing could be impacted;

- should be issued to a Workgroup for assessment, with a report presented by the October Panel.

The Panel requests the Workgroup to consider

- if there are likely to be any central systems impacts.

e) Modification 0377 – Use of Daily Meter Reads

GE introduced the modification on behalf of the proposer requesting the modification be issued for assessment at a workgroup, which should meet on the same day as the Project Nexus workgroup. JW asked if Modification 0270 is likely to be withdrawn as this modification offers a similar solution. GE thought this unlikely as the implementation timescales are different. JD advised that Ofgem are hopeful that the implementation of rolling AQ would offer a potential solution for the issues raised in Modification 0270.

JD considered this modification may be suitable for Self-Governance as he had no expectation that Ofgem would be involved in signing off Project Nexus requirements. RS suggested he would be concerned if such requirements were not being considered by Ofgem in order to legitimise industry sign off.

Following discussion, Members determined that Modification 0377:

- is not related to the Significant Code Review as it is not a related subject;
- does not meet the criteria for Self-Governance as it potentially impacts competition between Shippers;
- should be issued to a Workgroup for assessment, with a report presented by the October Panel.

f) Modification 0378 - Greater Transparency over AQ Appeal Performance

MY introduced the modification and explained its aims. RS was concerned that the modification may have a material effect on competition and the modification and hence should not follow the Self-Governance path. He added that a number of his customers had concerns about this modification and Modification 0379.

Following discussion, Members determined that Modification 0378:

- is not related to the Significant Code Review as it is not a related subject;
- does not meet the criteria for Self-Governance as it may have impacts on competition between Shippers, and the provision of protected information may impact customers;
- should be issued to a Workgroup for assessment, with a report presented by the October Panel.

The Panel requests the Workgroup to consider

- potential impacts on UNC reports and systems.

g) Modification 0379 - Provision for an AQ Review Audit

MY introduced the modification and explained its aims. GE asked if transporters might be materially impacted if they have to undertake an audit, such that self-governance may be inappropriate? MY felt that the modification could be amended to prevent customer information being provided if that was required.

CWa asked if the proposed audit would be paper based or require site visits to Shipper and customer premises. MY thought it would be paper based. AM advised that it would be difficult for xoserve to develop a ROM until the modification has completed the assessment process and the scope is fully understood.

Following discussion, Members determined that Modification 0379:

- is not related to the Significant Code Review as it is not a related subject;
- does not meet the criteria for Self-Governance as it may have impacts on competition between Shippers and there may be an impact on customers due to the provision of information;
- should be issued to a Workgroup for assessment, with a report presented by the January Panel.

The Panel requests the Workgroup to consider

- Scope of audit;
- Timing of audit;
- Who will undertake the audit;
- Should it be included within the AUG process;
- Should a budget be set for the Audit and what value it should be.

The Proposer was also requested to set out a proposed workplan for the group's first meeting.

110.4 Consider Legal Text

Modification 0282(A) - Introduction of a process to manage Vacant sites

TD advised the text and cost estimate have been provided as requested at the March Panel. AM requested that parties provide demand information to allow the estimate of costs for 0282A to be finalised.

Following discussion, Members determined that Modification 0282(A):

- Should proceed to consultation with a close out date of 03 June 2011;

- Respondents should be advised of the ACS changes, and requested to provide demand information (in particular for Modification 0282A).

f) Modification 0312 - Introduction of Two-Thirds Majority Voting to the UNC Modification Panel

CS asked if a Significant Code Review modification is sufficient as reason for two thirds majority voting, as stated in the legal text, or should modifications required by licence changes be included, as stated in the modification. RF advised that the lawyers drafting the legal text considered it would be too complex to provide a wider definition.

The Panel noted that Modification 0312 is to proceed to consultation.

g) Modification 0326 - Allocation of unidentified gas following the appointment of the Allocation of Unidentified Gas Expert (AUGE)

CWa advised that legal text would be produced now that there had been a decision on other AUG related modifications.

Panel members determined unanimously to defer consideration of the modification.

110.5 Consider Workgroup Issues

TD brought the Panels' attention to the meeting table listed in this section of the agenda and asked if the Panel found this helpful. Panel Members unanimously agreed it was of limited value and it should be removed from future Panel agendas.

Workgroup Reports for Consideration

a) Modification 0274 - Creation of a National Revenue Protection Service (verbal report)

TD advised that Ofgem have not agreed to the request for an extension to the time by which the Group must report, therefore, under the Modification Rules, it should now proceed to consultation. JD provided an update of the timeline for the Regulatory Impact Assessment (RIA) on related modifications. He advised consultation is expected to close out in July with a report produced for September. He felt it would not benefit the process if the modification were sent out to consultation in its current format.

RS considered the timeline for the NRPS was close to completion and the data items required would soon be available for inclusion in the modification. JD suggested the modification could be withdrawn and a new modification raised. This would then benefit from the improved processes introduced as a result of the Codes Governance Review.

ST asked if the Panel could request a formal view from Ofgem regarding the modification, and Members determined unanimously that the Panel Secretary should seek a view from Ofgem asking whether the modification should proceed. On behalf of the Authority, JD directed that

the modification should lapse. This would enable a modification to be raised when the requirements for the NRPS have been identified, and for that modification to follow the revised modification process.

b) Modification 0360 - Removal of Credit Rating Restrictions from Definition of Parent Company

On behalf of the proposer, GE supported the modification being issued to consultation.

Members determined that Modification 0360:

- should proceed to consultation;
- that a cost estimate was not required for inclusion in the draft Modification Report;
- that legal text was not required for inclusion in the draft Modification Report.

c) Modification 0362 - Use of 'notional Meter Readings' and 'Agreed Opening Meter Readings' for Individual CSEP Reconciliation

CWa advised that the iGTs have been informed of this proposed change but he was not aware of any similar proposed changes to the iGT UNC. RS felt this could be progressed with iGTs by Shippers if required.

Members determined that Modification 0362:

- should proceed to consultation;
- that a cost estimate was not required for inclusion in the draft Modification Report;
- that legal text was not required for inclusion in the draft Modification Report.

d) Modification 0367 - Interruptible to Firm – Supply Point Transition

MY asked if there could be a cost impact on Shippers if the modification is implemented. ST advised that the modification is not User Pays and therefore Transporters would fund any costs. RS asked if it would be possible for a cost estimate to be published prior to consultation. CWa did not think this would add any value to the process, since none of the costs would be directly attributable to Shippers.

Members determined that Modification 0367:

- should proceed to consultation;
- that a cost estimate was not required for inclusion in the draft Modification Report;
- that legal text was not required for inclusion in the draft Modification Report.

Extensions Requested

a) Modification 0330 - Delivery of additional analysis and derivation of

Seasonal normal weather

Members determined unanimously to extend the time for the Workgroup to report until June 2011.

- b) Modification 0331 - Demand Estimation Section H Changes to Processes and Responsibilities
Members determined unanimously to extend the time for the Workgroup to report until June 2011.
- c) Modification 0334 - Post Implementation Review of Central Systems Funding and Governance Arrangements
Members determined unanimously to extend the time for the Workgroup to report until July 2011.
- d) Modification 0335 - Offtake Metering Error - Payment Timescales
Members determined unanimously to extend the time for the Workgroup to report until July 2011.
- e) Modification 0338 – Remove the UNC requirement for a 'gas trader' User to hold a Gas Shipper Licence
Members determined unanimously to extend the time for the Workgroup to report until July 2011.
- f) Modification 0343 - The ability and requirement for Users and Transporters to raise issues to be considered by the Allocation of Unidentified Gas Expert as “known” issues
Members determined unanimously to extend the time for the Workgroup to report until June 2011.
- g) Modification 0352 - The Introduction of an Interruptible Reverse Flow service at Moffat Interconnector
Members determined unanimously to extend the time for the Workgroup to report until July 2011.
- h) Modification 0363 - Commercial Arrangements for NTS Commingling Facilities
Members determined unanimously to extend the time for the Workgroup to report until July 2011.

110.6 Existing Modification Proposals for Reconsideration

- a) Modification 0349 - Introduction of a Force Majeure Capacity Management Arrangement

CS advised that legal text had been provided to the proposer for their review and this would be made available once agreed by the proposer or within the next two weeks – which is sooner.

The Panel unanimously agreed to defer consideration of the modification.

110.7 Consider Final Modification Reports

- a) Modification 0348 - NTS Optional Commodity tariff – update to application rules

JV expressed a view that of the 3 options proposed in the modification solution, the application to storage connection sites may prove detrimental to investment in storage businesses. CS advised that National Grid NTS is willing to review the impacts of charging arrangements on storage businesses if there is a desire to do so.

The Panel Chair summarised that the modification seeks to clarify the UNC regarding the application of the NTS Optional Commodity tariff in three respects. Removing any ambiguity in the UNC is consistent with facilitating efficient administration and implementation of the UNC.

Clarity also helps Users to understand the choices they face and so take appropriate decisions, and avoids time being spent by Users and National Grid in resolving associated queries. Implementation could therefore facilitate effective competition by ensuring Users choose an appropriate, cost reflective, tariff. In addition, this could reduce any barriers to entry arising as a result of ambiguity in application of the methodology. However, some Members were concerned that the application in respect of storage sites could act as a barrier to development and so be detrimental to the development of effective competition.

Members noted that National Grid NTS has a licence obligation to establish a charging methodology that reflects costs, promotes efficiency and avoids undue preference. Implementation could therefore be regarded as consistent with facilitating achievement of licence obligations.

Out of ten possible votes, nine were cast in favour of implementing Modification 0348. Therefore the Panel determined to recommend implementation of Modification 0348.

The benefits against the Code Relevant Objectives	
Description of Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	Positive
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Small positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply	None

security standards... are satisfied as respects the availability of gas to their domestic customers.	
f) Promotion of efficiency in the implementation and administration of the Code	Positive

b) Modification 0350 - Combining the NTS entry capacity and exit capacity credit checks

RS was concerned that National Grid NTS have not proactively contacted customers who were potentially impacted by the implementation of this modification. CS suggested that this should await the time when the implications are clear.

The Panel Chair summarised that the modification seeks to combine the entry and exit capacity credit processes. This would include removing the ability to allow exit capacity to lapse, in line with the entry capacity process.

Members believed that having one credit process rather than two would be expected to increase efficiency in the implementation and administration of the Code.

Members also recognised that, since a potential consequence would be termination rather than capacity lapsing, it would be possible for another user to purchase and use the available long term exit capacity, facilitating development at that exit point in the interests of competition.

Members also recognised that implementation could reduce the risk of speculative bidding and so provide more reliable investment signals to National Grid NTS, which would be consistent with facilitating efficient discharge of the licensee's obligations. The avoidance of speculative bidding could also avoid commodity charges that arise to cover uncollected revenue arising from incentive schemes, and some Members believed could adversely impact competition.

Members also noted that some Users would need to provide additional security to cover total Entry and Exit Capacity commitments. This reduces the risk of subsequent charges that may result from a User default. By introducing appropriate credit requirements, and potentially improving cost allocations between Shippers, implementation would therefore be expected to facilitate competition.

Panel Members voted unanimously in favour of implementing Modification 0350. Therefore the Panel determined to recommend implementation of Modification 0350.

The benefits against the Code Relevant Objectives	
Description of Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or	None

(ii) the pipe-line system of one or more other relevant gas transporters.	
c) Efficient discharge of the licensee's obligations.	Positive
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code	Positive

d) Modification 0355 - Alignment of CV and Wobbe Limits at NTS System Entry Points

The Panel Chair summarised that Modification 0355 is a facilitating modification which, in the absence of any other change beyond the scope of this modification, would have no impact, either positive or negative, on relevant objectives a to e. By efficiently facilitating a range of changes to network entry provisions, as required by the UNC, implementation of this self-governance modification would be consistent with promotion of efficiency in the implementation of the Code.

Members recognised that consequent implementation of revised gas quality limits would be expected to enhance effective competition between relevant shippers by allowing shippers that deliver gas into the NTS at the specified System Entry Points the potential to deliver gas of an equivalent CV and wobbe range that would currently be permitted at any new NTS System Entry Point. This would

potentially increase the amount of gas made available to the GB market, thus promoting competition between shippers seeking to bring gas to market.

Panel Members voted unanimously in favour of implementing self-governance Modification 0355. Therefore the Panel decided to implement self-governance Modification 0355.

Benefits of implementation against the Code Relevant Objectives	
Description of Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None.
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code	Positive.

e) Modification 0370 - Continuation of CV determination by National Grid Transmission on behalf of DNO

On behalf of Ofgem, JD requested the preparation of legal text for this modification. CS confirmed the final legal text was available.

The Panel Chair summarised that the modification seeks to remove an historic date from the UNC regarding determination by National Grid NTS of the daily average flow weighted CVs for all DNOs. In addition, it seeks to provide clarity with regards to all parties' rights to withdraw from the service. Implementation would therefore facilitate appropriate choices regarding the way in which this service is provided. By allowing choice, in addition to removing a date that has passed, implementation would be expected to promote efficiency in the implementation and administration of the Code.

Eight votes were cast in favour of implementing Modification 0370.

No votes were cast against implementing Modification 0370. Therefore the Panel determined that self-governance Modification 0370 should be implemented.

Impact on the Code Relevant Objectives	
Description of Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code	Yes

110.8 Any Other Business

a) Ofgem Customer Survey

JD provided a presentation on the recent customer survey relating to Ofgem’s modification work. He gave an overview of the responses received and respondents comments.

RS suggested that Ofgem could be more consistent in who attends meetings especially in terms of their technical knowledge. This would help smaller industry participants as they would be able to rely on a view from Ofgem. JD agreed that Ofgem need to consider carefully who attends meetings, though it is not their role to take up all issues on behalf of the industry, and it is not realistic to expect all representatives to have a full insight of all the topics discussed in meetings.

b) Code of Practice KPIs – Q1 2011

TD provided an overview of KPIs for first quarter of 2011. It was noted that interpretation of the KPIs is not straightforward. For example, recording whether Ofgem’s decision accords with a panel recommendation could be impacted by alternatives – both the Panel and Ofgem may believe that implementing either an original or alternative would be appropriate, but the KPIs would show a disagreement since

only one modification would be implemented.

The KPIs suggest that Ofgem decisions appear to be taking longer than Ofgem's internal target. However, JD advised that Ofgem measure their decision performance from the date of the final version of any FMR received, which generally reflects the provision of legal text, rather than the initial date on which a modification is sent to them.

TD advised that 43 responses to the JO customer survey had been received and provided an overview of the results and comments.

Panel members concluded that it would be useful to continue with the quarterly report.

110.9 Conclude Meeting and Agree Date of Next Meeting

10:30 19 May 2011, at the ENA