

Record of Determinations: Panel Meeting, 16 June 2011

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Representative	Determination Sought	
		RS	CWr	PB	Pbo	SL	CS	CWa	JF	JM	ST (JM)	RHa		
0386 - Extending rights to Protected Information provisions for Meter Asset Managers / Registered Metering Applicants – unpopulated MAM id records	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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Modification should follow Self-Governance Procedures
	Proposed Self-governance Determination Date to be 15 September 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Proposed Self-governance Determination Date to be 15 September 2011
	Issued to Workgroup 0386 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup to Report by the July Panel	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the July Panel
0326V - Allocation of unidentified gas following the appointment of the Allocation of Unidentified Gas Expert (AUGE)	Considered at short notice - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at short notice
	Consideration deferred - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration
0330 - Delivery of additional analysis and derivation of Seasonal normal weather	Considered at short notice - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at short notice
0331 - Demand Estimation Section H Changes to Processes and Responsibilities	Considered at short notice - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at short notice
	Returned to the Distribution Workgroup to review the legal text - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Return to the Distribution Workgroup to review the legal text
	Workgroup to report to the July Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report to the July Panel
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	Panel determined to consider at short notice - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at short notice
0334 - Post Implementation Review of Central Systems Funding and Governance Arrangements	Extension to August Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to August requested
0335 - Offtake Metering Error - Payment Timescales	Extension to September Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to September requested

0352 - The Introduction of an Interruptible Reverse Flow service at Moffat Interconnector	Extension to August Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to August requested
0368 - Smoothing of Distribution Charge Variation	Extension to December Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to December requested
0369 - Re-establishment of Supply Meter Points – measures to address shipperless sites	Extension to August Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to August requested
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	Extension to September Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to September requested
Modification 0368 - Smoothing of Distribution Charge Variation	Extension to December Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to December requested
0277 - Changes to the Reasonable Endeavours Scheme to better incentivise the detection of Theft	Consideration deferred - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration
0345 - Removal of Daily Metered voluntary regime	Consideration deferred - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration
0346 - An Alternative to the Supplier Energy Theft Scheme Based on Throughput	Consideration deferred - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration
0353 - Population and Maintenance of the Market Sector Code within the Supply Point Register	Reasons for delay to be published, inviting further representations - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Invite further representations
0282 - Introduction of a process to manage Vacant sites	No new issues identified - 1 vote in favour						✓							Did consultation raise new issues
	Implementation not recommended - no votes in favour													Whether to recommend implementation
0282A - Introduction of a process to manage Vacant sites	No new issues identified - no votes in favour													Did consultation raise new issues
	Implementation not recommended - 1 vote in favour		✓											Whether to recommend implementation
Preference for	Modification 0282													Which of the modifications best facilitates the Relevant Objectives
	Modification 0282A		✓		✓	✓								
0312 - Introduction of Two-Thirds Majority Voting to the UNC Modification Panel	No new issues identified - no votes in favour													Did consultation raise new issues
	Implementation not recommended - 5 votes in favour	✓	✓	✓	✓	✓								Whether to recommend implementation

0360 - Removal of Credit Rating Restrictions from Definition of Parent Company	No new issues identified - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implementation is not recommended - 3 votes in favour, 6 votes against	✓	X	✓	X	NV	X	NV	X	X	X	✓	Whether to recommend implementation	
0362 - Use of 'notional Meter Readings' and 'Agreed Opening Meter Readings' for Individual CSEP Reconciliation	No new issues identified - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	To be implemented - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to implement	
0367 - Interruptible to Firm – Supply Point Transition	No new issues identified - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	To be implemented - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to implement	

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

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
C Wright (CWr), British Gas P Bolitho (PBo), E.ON UK P Broom (PB), GDF Suez R Street (RS), Corona Energy S Leedham (SL), EDF Energy	C Shanley (CS), National Grid NTS C Warner (CWa), National Grid Distribution J Ferguson (JF), Northern Gas Networks J Martin (JM), Scotia Gas Networks	R Hall (RHa), Consumer Focus

Non-Voting Members:

Independent Suppliers' Representative	Ofgem Representative	Chairman
C Hill (CH), First Utility	J Dixon (JD)	T Davis (TD), Joint Office

Also in Attendance:

A Miller (AM), Xoserve, B Fletcher (BF), Panel Secretary, and D Ianora (DI), Ofgem

By teleconference

E Carr, ScottishPower (EC), L Kerr, ScottishPower (LK), M Brandt, SSE (MB) and T Connolly, ScottishPower (TC),

Record of Discussions

113.1 Note of any alternates attending meeting

C Shanley for R Hewitt (National Grid NTS), J Martin for A Gibson (Scotia Gas Networks) and S Trivella (Wales & West Utilities), P Bolitho for R Fairholme (EDF Energy) and R Street for A Bal (Shell)

113.2 Record of Apologies for absence

A Bal, A Gibson, R Fairholme, R Hewitt and S Trivella

113.3 Consider New, Non-Urgent Modifications

- a) Self Governance Modification 0386 - Extending rights to Protected Information provisions for Meter Asset Managers / Registered Metering Applicants – unpopulated MAM id records

MB introduced the modification which aims to facilitate updating of MAM ids on the UK Link system. Work was previously undertaken to reduce the number of missing MAM ids through SPAA. However, there are still around 250k missing ids identified on Sites & Meters (S&M) – the modification aims to reduce this number.

PBo asked if the modification aims to formalise the request for information by MAMs. TD clarified that, rather than formalising, it permits the Transporters to release data that is currently defined as protected information.

RHa asked if there is an impact on PEMS if the field is blank in S&M. JM advised it would not impact the PEMS service. AM suggested that the modification benefits both parties without detriment to either.

Members determined that Modification 0386:

- is not related to the Significant Code Review as it is not a related subject;
- meets the criteria for Self-Governance, as it was felt that, rather than have a material impact, the proposed change would simplify and make more efficient the process by which data can be accessed and so can be updated on central systems;
- should be issued to a Workgroup for assessment, with a report presented by the 21 July Panel; and
- should have a Proposed Self-Governance Determination date of 15 September 2011,

113.4 Consider Legal Text and Cost Estimates

Members determined unanimously to consider the legal text for Modification 0326V, 0330, 0331 and 0343 at short notice.

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

LK advised that recent feedback suggested the modification is not clear and may cause issues with an existing AUGS should a future methodology, such as theft of gas, change. ScottishPower therefore intend issuing a Variation Request and LK suggested that consideration of the modification therefore be deferred.

Members unanimously voted to defer consideration of 0326V.

- b) Modification 0330 - Delivery of additional analysis and derivation of Seasonal normal weather

DI asked if consideration had been given to any linkages between the legal text for this modification and Modification 0331. JM explained that they are compatible, but not contingent on each other.

Members noted that legal text had been provided for inclusion in the Draft Modification Report and the modification would now proceed to consultation.

- c) Modification 0331 - Demand Estimation Section H Changes to Processes and Responsibilities

CS advised that National Grid NTS has some concerns with the text. CWa suggested that a Workgroup should review the legal text in detail. JF added that the text could impact other areas of code and therefore it would be worth reviewing. PBo felt that the text had already been reviewed and the modification should now go out to consultation, although he wished to understand any views or concerns held by other Shippers.

Members determined that a Workgroup should be requested to consider the legal text and provide a revised Workgroup Report to the July Panel.

- d) 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 noted that legal text had been provided for inclusion in the Draft Modification Report and the modification would now proceed to consultation.

113.5 Consider Workgroup Issues

Extensions Requested

- a) Modification 0334 - Post Implementation Review of Central Systems Funding and Governance Arrangements

RHa noted that DCC discussions are looking at forms of user pays arrangements. If the report is likely to identify any lessons learnt, it would be helpful if it were available to inform the DCC discussions

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

b) Modification 0335 - Offtake Metering Error - Payment Timescales

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

c) Modification 0352 - The Introduction of an Interruptible Reverse Flow service at Moffat Interconnector

CS advised that legal text may not be available to allow a report to be concluded in time for the July Panel. RS was concerned about the delay and considered it unacceptable to extend the reporting date unless there is a good reason for the delay in legal text. CS agreed to establish what the reason was, and TD indicated that he understood the issue was the time being taken by other interested parties to agree the legal text that had been provided in good time by National Grid.

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

d) Modification 0369 - Re-establishment of Supply Meter Points – measures to address shipperless sites)

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

e) 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

CH explained that, while he was initially asking for rapid progress, he now accepted that delay would be beneficial.

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

113.6 Existing Modification Proposals for Reconsideration

a) Modification 0277 - Changes to the Reasonable Endeavours Scheme to better incentivise the detection of Theft

The Panel determined unanimously to defer consideration of Modification 0277. Noting that Ofgem will be including consideration of this modification in a forthcoming impact assessment, Members agreed that 0277 should not be included on future Panel agendas.

b) Modification 0345 - Removal of Daily Metered voluntary regime

TD advised that Ofgem had raised concerns regarding the legal text, which includes dates in square brackets. Apart from the principle that there should be no square brackets in legal text, Ofgem felt it important that the proposed implementation date should be clear, meeting the needs of all industry parties rather than being set by Transporters alone following any direction to implement the modification.

PBo asked if the issue of square brackets around the implementation date could be resolved to remove doubt by putting in a future implementation date. JD advised that Ofgem do not want the existing DM Voluntary service withdrawn until there are acceptable alternatives in place. This could be judged, for example, on the take up of alternative services. Ofgem would welcome the industry being consulted on how long the existing service should continue to be provided in order to allow the industry to migrate to alternative providers.

RS supported the industry being asked what is the right date for implementation. PB suggested that any consultation should provide a selection of possible implementation dates for the industry to consider – otherwise it was hard to see how any consensus might emerge..

SL felt that the modification included specific lead times and it should be possible to amend the text of the modification in order to reflect any agreement reached on an implementation date. He suggested discussing the options and implications at a workgroup initially, with the aim being to either reach a clear consensus or to identify the questions that should be asked in any supplementary consultation on the implementation date. RS suggested that there would be benefit in other potential providers being involved in any workgroup discussions, and that ESTA should therefore be invited.

Members agreed that the modification should be considered by a Workgroup and consequently determined to defer consideration of the modification.

c) Modification 0346 - An Alternative to the Supplier Energy Theft Scheme Based on Throughput

The Panel determined unanimously to defer consideration of Modification 0346. Noting that Ofgem will be including consideration of this modification in a forthcoming impact assessment, Members agreed that 0346 should not be included on future Panel agendas.

d) Modification 0353 - Population and Maintenance of the Market Sector Code within the Supply Point Register

JD advised that the definition of a domestic site in the legal text is different to that in Supply Licences. Ofgem would welcome industry views on the implications for the industry which may arise from the inconsistency in definition. CS did not think there were issues as the modification advises that licence definitions should be used where possible. SL was concerned that there appears to be a dual governance conflict – what should shippers/suppliers base their systems and approaches on, licence or UNC obligations?

JF noted that there are other examples already in UNC. As such, any conflicts already exist and are being managed. She would not, therefore, expect that continuing to use the existing UNC definitions would create an issue.

SL suggested that views should be sought on dual governance and the level of materiality of the impacts in order to ascertain if this will increase

industry implementation costs or change the position of previous respondents in respect of the modification.

Members determined that the Code Administrator should initiate a further consultation and provide a supplementary report for the next Panel meeting.

113.7 Consider Final Modification Report

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

The Panel Chair summarised that a vacant site continues to attract charges for some time after becoming vacant, and the modifications seek to introduce processes that would mean that Shippers do not face consumption related charges at sites that are vacant.

Ensuring that consumption related charges are not incurred at vacant sites (with zero consumption) could be expected to lead to more accurate cost allocations. Increasing cost reflectivity would be expected to facilitate the development of effective competition. However, views on whether or not this would occur in practice are mixed. Panel Members were also concerned that the limited coverage (SSP only) may be unduly discriminatory, and that implementation could raise safety concerns since it lessens the likelihood of isolation and withdrawal, potentially incentivising live connections to remain in vacant properties.

The Panel Chair suggested that an anticipated benefit from the User Pays approach was to provide a clear signal as to whether or not those expected to pay for a new service consider that the benefits will exceed the costs: Modification 0282(A) consultation responses tend to suggest that there is no general agreement among Shippers that the benefits will do so. The Ofgem Representative emphasised that indications of likely take-up of the service would be welcome, in order to demonstrate the expected benefits.

With no votes cast in favour, Panel Members did not determine to recommend that Modification 0282 should be implemented.

With one vote cast in favour, Panel Members did not determine to recommend that Modification 0282A should be implemented.

Considering which of the two modifications would better facilitate the Relevant Objectives if one were implemented, no votes were cast preferring 0282, and three preferring 0282A.

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

Joint Office of Gas Transporters

(ii) the pipe-line system of one or more other relevant gas transporters.	
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.	Balanced
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	None

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

See details for Modification 0282 above.

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

The Panel Chair summarised that the modification seeks to introduce a higher threshold when the Panel determines whether or not to recommend implementation of a modification that is related to a Significant Code Review.

To the extent that a Panel recommendation influences the decision whether or not to implement a modification, this may provide an additional check on regulatory decisions, which some Panel Members consider would increase market confidence and so be consistent with facilitating effective competition. Some Members also expected the higher threshold to impact the option to appeal modification decisions to the Competition Commission, which would similarly have the potential to increase market confidence.

Other Members were not convinced that the change in threshold would have any material impact, and noted that the Competition Commission may have no regard to the changed threshold in deciding whether or not an Appeal is valid. In any event, some considered it would not be appropriate to try to use the rules in an industry code to circumvent the Statutory Instrument governing Appeals. As such, implementation would be inconsistent with facilitating efficiency in the implementation and administration of the UNC. Some Members also felt that this relevant

objective would be adversely impacted since the modification would increase complexity in the governance process. However, other members felt that creating a more appropriate threshold would be consistent with facilitating efficient implementation of the UNC, with more robust decision making resulting from implementation.

With five out of a possible eleven votes cast in favour, Panel Members did not determine to recommend that Modification 0312 should be implemented.

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.	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.	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	Negative

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

The Panel Chair summarised that the modification seeks to remove an existing restriction that, to be acceptable as security, any Parent Company Guarantee (PCG) must be from a parent with a BB- or better rating. In practice, this tends to mean that PCGs are not accepted from some smaller Shippers. The modification is seeking to establish that any

parent company can provide a PCG, albeit with the value reflecting the credit rating of the parent concerned.

Panel Members recognised that implementation could reduce costs for some Shippers and therefore facilitate the development of effective competition, for example by alleviating cashflow constraints which may hamper business development. Members also recognised that allowing unsecured credit that is commensurate with the rating of any parent company could be regarded as creating a level playing field – removing the BB- hurdle. Removing this hurdle could therefore reduce a barrier to entry, and could also facilitate the development of effective competition.

Set against this, Members also recognised that the credit arrangements within the UNC were established, and have been subsequently developed, following extensive consultation and debate, and are intended to provide protection to all parties from the impact of default. Implementation of the modification would be expected to increase unsecured credit levels and hence market exposure and consequent costs. This could be regarded as inappropriate – with the potential for increased liabilities deterring both existing competitive activity and market entry. Implementation could therefore be expected to adversely impact the development of effective competition.

With three votes cast in favour and six against implementation, Panel Members determined to recommend that Modification 0360 should not be implemented.

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.	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.	Balanced
e) Provision of reasonable economic incentives for relevant suppliers to secure	None

that the domestic customer supply 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	None

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

JD requested that a note is added to the notification stating that iGTs were sent a copy of the modification report but chose not to respond.

The Panel Chair summarised that the modification seeks to enable two additional read types to be used for the purposes of Individual Reconciliation at NDM CSEP Larger Supply Points. By allowing additional information to be used, implementation may be expected to lead to improved data and, consequently, more accurate allocation of costs between Shippers. Improving cost reflectivity facilitates the development of effective competition.

With 11 votes cast in favour and none against, Panel Members unanimously determined that Self-Governance Modification 0362 should be implemented.

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.	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.	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	None

f) Self-Governance Modification 0367 - Interruptible to Firm – Supply Point Transition

The Chair summarised that, with effect from 1st October 2011, the UNC provides for all Supply Points to be Firm and so charged on a consistent basis. To support transition of the affected Supply Points from Interruptible to Firm status, Modification 0367 proposes that certain SPA processes for the affected Supply Points would be suspended between 08 September and 19 October. If Shippers fail to complete the steps necessary to effect the transition, the modification clarifies the steps to be taken on their behalf during this period. In this way, an orderly transition is assured, with a window of opportunity for Shippers to complete their processes as well as a backstop provision to ensure the transition is completed for all relevant Supply Points.

By providing for an orderly transition and ensuring the status of all sites is changed as appropriate, Panel Members recognised that implementation would be expected to facilitate efficiency in the implementation and administration of the Code. Members also noted that the suspension of SPA activities would be expected to be detrimental to the facilitation of competition. However, since no more than 950 sites are potentially impacted, and the suspension is only for two weeks, it was not considered that this effect would be material.

With 11 votes cast in favour and none against, Panel Members unanimously determined that Self-Governance Modification 0367 should be implemented.

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.	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.	Negative
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

113.8 Consents to Modify

- a) Consent C042 - Corrections to UNC TPD Section Y, Part A – NTS Charging Methodologies

PBo asked if the initial modification intent was clear. CS advised that was the case, and that the consent should correct the text to accurately reflect the intent of the modification.

Members recommended that Ofgem agree to the consent.

- b) Consent C043 – Revision to the Legal text associated with the implementation of 0292 Proposed Change to the AQ Review Amendment Tolerance for SSP sites

SL questioned whether it was possible for a consent to amend text that had not yet been incorporated within the UNC. JF confirmed that this is a technical amendment to the paragraph numbering structure and is required to coincide with implementation of Modification 0292. This will ensure that the correct references can be put into the UNC on implementation, and is consistent with established practice.

Members recommended that Ofgem agree to the consent.

113.9 Any Other Business

a) Modification 0368 - Smoothing of Distribution Charge Variation

JD advised that issues related to smoothing DN charges would be discussed as part of the RIIO GDR1 process. These discussions may impact the appropriate solution, but any RIIO proposals are likely to be after the planned date for the 0368 Workgroup Report. It may, therefore, be beneficial to delay the Report, although this should not to restrict the group if they wish to continue as planned.

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

113.10 Conclude Meeting and Agree Date of Next Meeting

10:30 21 July 2011, at the ENA