

Record of Determinations: Panel Meeting, 21 July 2011

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Determination Sought
		AB (RS)	CWr	PB (RS)	RF	SL	CWa	JF	JM	RHe	ST	
0369A - Re-establishment of Supply Meter Points – measures to address shipperless sites	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 - 8 votes against, none in favour	X	NV	X	X	X	X	X	X	NV	X	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0369 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
0376A - Increased Choice when Applying for NTS Exit Capacity	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 a Self-Governance Modification - 6 votes in favour, 1 against	✓	✓	✓	✓	✓	NV	NV	NV	✓	X	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 assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
0387 - Removal of Anonymity from Annual Quantity Appeal and Amendment Reports	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 - 3 votes in favour, 4 votes against	X	✓	X	X	✓	NV	X	NV	NV	✓	Modification should follow Self-Governance Procedures
	Not issued to consultation - 1 vote in favour, 9 against	X	✓	X	X	X	X	X	X	X	X	Issue to Consultation
	Issued to Workgroup 0387 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup to Report by the October Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the October Panel
0388 - Fixed Parameters for determining Shipper contribution to Unidentified Gas	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 - unanimous vote against	X	X	X	X	X	X	X	X	X	X	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0388 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup to Report by the October Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the October Panel

0389 - Simplification of Points of Telemetry	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 a Self-Governance Modification - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	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 0389 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup to Report by the October Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the October Panel
0390 - Introduction of a Supply point Offtake Rate Review and Monitoring Process	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 - 2 votes in favour, 4 against	X	✓	X	X	X	NV	NV	✓	NV	NV	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0390 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup to Report by the October Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the October Panel
0326V - Allocation of unidentified gas following the appointment of	Variation is not immaterial - 2 votes in favour (unanimous vote required)		✓				✓					Variation is immaterial
0326VV - Allocation of unidentified gas following the appointment of the Allocation of Unidentified Gas Expert (AUGE)	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
	0326VV is not a Self-Governance Modification - unanimous vote	X	X	X	X	X	X	X	X	X	X	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0326VV for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup to Report by the October Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the October Panel
0367 - Interruptible to Firm – Supply Point Transition	Self-Governance Modification 0367 to be implemented on 01 August 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Implement Self-Governance Modification on 01 August 2011
0331 - Demand Estimation Section H Changes to Processes and Responsibilities	Proceed to consultation - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Consultation to close on 05 September 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend consultation to 05 September 2011
0334 - Post Implementation Review of Central Systems Funding and Governance Arrangements	Report accepted - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Accept Review Group report
	Recommendations accepted and Review Group closed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Accept Review Group recommendations

0338 - Remove the UNC requirement for a 'gas trader' User to hold a Gas Shipper Licence	Returned to the Transmission Workgroup for further consideration - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	New issues to be consider by the Workgroup
	Report by September Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by September Panel
0352 - The introduction of an Interruptible Reverse Flow service at Moffat Interconnector	Proceed to consultation - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
0372 - Code Governance Review Licence Compliance Changes	Proceed to consultation - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Consultation to close on 02 September 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend consultation to 02 September 2011
	Cost estimate not required - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in the Draft Modification Report
	Legal text not required - 8 votes in favour, 2 against	✓	✓	✓	X	X	✓	✓	✓	✓	✓	Legal text not required for inclusion in the Draft Modification Report
0374 - Interruptible to Firm – Supply Point Transition	Proceed to consultation - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	FMR to be considered at short notice at the August Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	August Panel to consider at short notice
	Cost estimate not required - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate required for inclusion in the Draft Modification Report
	Legal text not required - 6 votes in favour, 1 against	✓	✓	✓	X	✓	NV	NV	✓	✓	NV	Legal text required for inclusion in the Draft Modification Report
0386 - Extending rights to Protected Information provisions for Meter Asset Managers / Registered Metering Applicants – unpopulated MAM id records	Proceed to consultation - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Consultation to close on 02 September 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend consultation to 02 September 2011
	Cost estimate not required - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate required for inclusion in the Draft Modification Report
	Legal text not required - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text required for inclusion in the Draft Modification Report
0357 - Enhanced Supply Point Administration Process	Extension to December Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to December requested
0359 - Use of Market Sector Flag to determine Customer Status	Extension to December Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to December requested
0345 - Removal of Daily Metered voluntary regime	Invite representations to consider implementation dates - unanimous	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Invite further representations
	Consultation to close on 05 September 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extended consultation to 05 September 2011

0349 - Introduction of a Force Majeure Capacity Management Arrangement	Consideration deferred - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration
0353 - Population and Maintenance of the Market Sector Code within the Supply Point Register	Consideration deferred - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration
0330 - Delivery of additional analysis and derivation of Seasonal normal weather	No new issues identified - 1 vote in favour									✓		Did consultation raise new issues
	Implementation recommended - 8 votes in favour	✓	✓	✓	✓	✓	✓		✓		✓	Whether to recommend implementation
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	No new issues identified - no votes in favour											Did consultation raise new issues
	Implementation not recommended - 2 votes in favour		✓			✓						Whether to recommend implementation

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 R Fairholme (RF), E.ON UK R Street (RS), Corona Energy S Leedham (SL), EDF Energy	C Warner (CWa), National Grid Distribution J Ferguson (JF), Northern Gas Networks J Martin (JM), Scotia Gas Networks R Hewitt (RHe), National Grid NTS S Trivella (ST), Wales & West Utilities	

Non-Voting Members:

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

Also in Attendance:

A Miller (AM), Xoserve, A Raper (AR), National Grid Distribution, B Fletcher (BF), Panel Secretary, C Shanley (CS) National Grid NTS, D Ianora (DI), Ofgem and P Lucas (PL), National Grid NTS

By teleconference

G Evans (GE), Waters Wye, L Kerr (LK), ScottishPower,

Record of Discussions

114.1 Note of any alternates attending meeting

J Martin for A Gibson (Scotia Gas Networks), and R Street for A Bal (Shell) and P Broom (GDF Suez)

114.2 Record of Apologies for absence

A Bal, A Gibson, C Hill, J Dixon, P Broom and R Hall

114.3 Consider New, Non-Urgent Modifications

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

In the absence of the proposer, TD introduced the modification and its aims. CWa advised that drafting legal text is proving difficult, though the issues may be clarified in the workgroup where the proposer's requirements can be clarified.

Members determined that Modification 0369A:

- 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 was felt that the modification would have a material impact since implementation would remove a Shipper's liability for transportation and energy charges in particular circumstances;
- should be issued to Workgroup 0369 for assessment.

The Workgroup is requested to clarify the actions of the Transporter in the introductory paragraph.

- b) Self-Governance Modification 0376A - Increased Choice when Applying for NTS Exit Capacity

RHe introduced the modification and its aims. SL asked if SSE had amended their modification to take account of some of the aspects of this modification and, if so, was this alternative still required. RHe confirmed SSE had included some but not all aspects of this alternative within their modification – should all the aspects be included in Modification 0376, then it is likely this alternative would be withdrawn.

RHe advised that there might be costs associated with implementing either modification and the aim is to confirm this aspect by August. RS asked who is likely to pick up the costs of the changes. TD explained that User Pays guidelines indicate it would be National Grid NTS.

Members determined that Modification 0376A:

- 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 the modification is unlikely to discriminate between different UNC Users and have no material impact on charges or consumers;
- should be issued to Workgroup 0376 for assessment; and
- should have a Proposed Self-Governance Determination date of 20 October 2011.

c) Modification 0387 - Removal of Anonymity from Annual Quantity Appeal and Amendment Reports

CW introduced the modification and its aims. RF asked if this modification had been discussed at a Workgroup. It was confirmed it had when the scope of this modification was included in Modification 0378. Workgroup 0378 had considered the issue to be controversial and the Proposer considered it would be beneficial if the issue were addressed in its own workgroup.

RS felt the modification should not follow the self-governance route as it could have a particular impact on small shippers and therefore competition. It may, for example, reveal commercially confidential information about changes in approach to the market.

AM advised that, from an Xoserve perspective, it would be not be problematic if implementation were after 31 October as anonymous information could be released initially, and the information required by the modification released later.

RS asked if the Data Protection Act had been considered in the legal text. CWa confirmed that, at this point, it had not. SL felt this was not an issue as no personal data was provided in the reports.

Members determined that Modification 0387:

- 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 was felt that it may have a material impact on smaller Shippers and therefore be detrimental to competition;
- should not be issued to consultation;
- should be issued to a Workgroup for assessment, with a report presented by the 20 October Panel.

The Workgroup is requested to define the implementation timescale, in compliance with the modification rules.

d) Modification 0388 - Fixed Parameters for determining Shipper contribution to Unidentified Gas

GE introduced the modification and its aims. SL suggested a number of areas in the modification still need to be developed, and would welcome evidence as to whether the reference to the number of potentially affected

LSPs is representative rather than reflecting solely Total's portfolio. It was also suggested that further evidence would be helpful as to why volatility in market prices is a problem for a Shipper, rather than being a normal business risk.

DI raised a concern regarding the number of AUGE related modifications that have been raised - perhaps it would be beneficial if parties waited for the AUGE to complete its first report prior to raising modifications. TD advised that this modification has no impact on the work of the AUGE, but relates to the allocation of the amount once identified by the AUGE.

TD asked when Xoserve would need a decision from Ofgem in order to be able to provide the values by 1st November, as suggested in the modification. AM advised that Xoserve would require a month's notice to be able to provide values for publication, and would therefore require a decision by October. ST asked if there would be an issue if the modification were delayed. AM advised Xoserve could implement the modification at any time.

It was clarified that implementation by November could avoid duplicate system costs, and that implementation prior to April 2012 is required to ensure the benefits of the modification can be achieved for the first AUG year. RS felt that the costs Total is trying to avoid are those at the Shipper/Supplier end of the process, but agreed it would be beneficial if duplicate system costs could be avoided by implementation of the modification by November.

Members determined that Modification 0388:

- 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 was felt that it could have a material impact on Shippers and hence competition.;
- should be issued to a Workgroup for assessment, with a report presented by the 20 October Panel.

e) Self Governance Modification 0389 - Simplification of Points of Telemetry

RHe introduced the modification and its aims. CWr asked if the modification impacts customers connected to the transmission system - RHe confirmed that it did not.

Members determined that Modification 0389:

- 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 the proposed change would have no material impact on Transporter systems or the wider industry;
- should be issued to a Workgroup for assessment, with a report presented by the 20 October Panel; and
- should have a Proposed Self-Governance Determination date of 20 October 2011.

Members requested the Workgroup to confirm that there is no impact on the offtake meter error process.

f) Modification 0390 - Introduction of a Supply point Offtake Rate Review and Monitoring Process

JM introduced the modification and its aims.

RS was concerned that the modification may significantly change the way some DM sites operate as it changes the SPOR - therefore it was not a self-governance modification. JM advised there was no intention to change the SPOR but rather to identify true capacity requirements for the future. Implementation would not mandate a change but rather flag that the data suggested the SPOR may no longer be appropriate and seek confirmation whether the capacity was still required.

CWr suggested that the impact on sites with NExAs should be clarified in the modification.

DI asked why 01 October implementation is required. JM advised this is to allow time to develop reports for 2012.

Members determined that Modification 0390:

- 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 was felt that, it may have a material impact on SPORs and therefore a significant impact on consumers;
- should be issued to a Workgroup for assessment, with a report presented by the 20 October Panel.

The Workgroup is requested to review the implementation timetable.

114.4 Consider Variation Requests

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

LK explained the variation request and that it aims to clarify the intent of the modification and not to extend its scope.

Following discussion, Members did not determine that the variation to Modification 0326V was immaterial. Therefore Modification 0326VV is to be considered as a new modification.

Following discussion, Members determined that Modification 0326VV:

- is not related to the Significant Code Review as it is not a related subject;
- does not meet the criteria for Self-Governance since it may impact the allocation of costs under the AUGE arrangements and so have a material impact on competition between Shippers;

- should be issued to a Workgroup for assessment, with a report presented by the 20 October Panel;

RS was concerned that the suggested timetable means that the modification will be progressed quickly at a time that is already heavily congested with industry developments. SL felt the timetable was reasonable given the length of time the modification has been in discussion. However, RS remained concerned that smaller Shippers were effectively being excluded from the assessment process - it would not be possible for smaller Shippers to resource all of the industry meetings that are envisaged in the next few months.

114.5 Consider Legal Text and Cost Estimates

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

Members accepted the legal text and determined that Modification 0367 should be implemented on 01 August 2011.

114.6 Consider Workgroup Issues

Workgroup Reports for Consideration

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

TD advised that, as requested by the Panel, the legal text had been reviewed and a number of minor amendments were identified.

Following discussion, Members determined that Modification 0331:

- should proceed to consultation;
- that the final day for submitting representations is to be 05 September 2011.

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

Following discussion, Members determined:

- to accept the Review Group report and recommendations; and
- request the Panel Secretary write to Ofgem asking them to consider the report and provide their views to the Panel.

- c) Modification 0338 - Remove the UNC requirement for a 'gas trader' User to hold a Gas Shipper Licence

TD advised that the Workgroup Report had been completed based on a previous version of the modification since an amended version had been provided too late to be included in the report. The Workgroup had also identified some further changes to the modification which had yet to be incorporated. RHe advised that National Grid were considering further

changes to the modification in light of the feedback.

DI advised that Ofgem's intended consultation on their approach to licensing would not take place until further work had progressed on the SCR – ensuring there is no adverse impact from the licensing proposals. Given this, Ofgem would welcome consideration of Modification 0338 being deferred.

Following discussion, Members determined that Modification 0338:

- be returned to the Transmission Workgroup for assessment; and
- the Workgroup is requested to report by the September Panel.

Members requested the Workgroup to consider how a trader could contribute to an emergency situation.

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

TD advised the report is based on an earlier version of the modification.

RF asked if final legal text is available. RHe advised that the modification does not require a change to the UNC and so there is no text as such - the modification facilitates amendments to other bilateral agreements. RF did not think the modification made it clear that parties would be deemed to have accepted the changes to the bilateral agreements. RHe agreed to amend the modification to reflect this concern and clarify the process.

Following discussion, Members determined that Modification 0352, as amended, should proceed to consultation. Members also agreed that it may be appropriate for an additional Panel meeting to be arranged if it is clear that the implementation timetable will not otherwise be achieved.

- e) Self-Governance Modification 0372 - Code Governance Review Licence Compliance Changes

Following discussion, Members determined that Modification 0372:

- should proceed to consultation;
- that the final day for submitting representations is to be 02 September 2011;
- 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.

- f) Modification 0374 - Interruptible to Firm – Supply Point Transition

Following discussion, Members determined that Modification 0374:

- should proceed to consultation;

- that the Final Modification Report would be considered at short notice at the August Panel;
 - that a cost estimate was not required for inclusion in the draft Modification Report; and
 - that legal text was not required for inclusion in the draft Modification Report.
- g) Self-Governance Modification 0386 - Extending rights to Protected Information provisions for Meter Asset Managers / Registered Metering Applicants – unpopulated MAM id records

Following discussion, Members determined that Modification 0386:

- should proceed to consultation;
- that the final day for submitting representations is to be 02 September 2011;
- that a cost estimate was not required for inclusion in the draft Modification Report; and
- that legal text was not required for inclusion in the draft Modification Report.

Extensions Requested

- a) Modification 0357 - Enhanced Supply Point Administration Process

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

- b) Modification 0359 - Use of Market Sector Flag to determine Customer Status

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

114.7 Existing Modification Proposals for Reconsideration

- a) Modification 0345 - Removal of Daily Metered voluntary regime

BF provided an update of the discussion held at the Distribution Workgroup and advised that the question recommended by the Workgroup for the supplementary consultations was:

Which of the following dates would you prefer as the implementation date for Modification 0345:

- 01 October 2011
- 01 October 2012
- 01 October 2013

Following discussion, Members determined that Modification 0345:

- should proceed to supplementary consultation;
- that the final day for submitting representations is to be 05 September 2011;
- that the supplementary consultation should include the question recommended by the Workgroup.

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

TD confirmed that draft legal text was now available and was being considered by Ofgem. Members determined to defer consideration of Modification 0349.

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

TD explained the issues identified during the supplementary consultation and asked if Ofgem would like an additional, informal, recommendation vote by Panel. DI agreed this would be welcome.

SL explained that he was concerned about the aspects of dual governance, and hence his view had changed in light of the information provided in the supplementary consultation. RS advised that he had been unaware that there were issues for suppliers needing to amend their systems.

DI asked when the required ACS amendment would be available. ST advised that an amended version would be provided shortly but there were no costs included in the ACS since they will not be known until the number of meter points that would require updating is known. DI asked if cost could be identified based on different volumes in order to provide a guide.

Following discussion, members determined to defer consideration of Modification 0353. An informal vote indicated that the Panel continued to recommend implementation.

114.8 Consider Final Modification Report

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

The Panel Chair summarised that the modification seeks to introduce methodologies for assessing the impact of weather station closures and climate change. External advice is to be procured to support establishment of these methodologies, which will in turn, if adopted, impact Composite Weather Variables and the allocation of energy between Shippers.

Panel members recognised that the availability of additional information would be expected to lead to improved modelling and consequently more accurate cost allocations. By improving the allocation of costs between Users, implementation would therefore be expected to facilitate the

development of effective competition.

Some Members were concerned that aspects of the modification are unclear. This may create uncertainty and consequently implementation would not be consistent with facilitating efficient administration of the UNC. However, other Members felt that efficient implementation of the UNC would be facilitated by implementation of the modification since clarity would be provided regarding the way in which new information can be procured and subsequently reflected in demand attribution processes.

With eight out of a possible ten votes cast in favour, Panel Members determined to recommend that Modification 0330 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	Impacted

- b) 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

The Panel Chair summarised that the modification introduces to the UNC the right for all parties to raise issues directly with the AUG for assessment and inclusion within the AUG Methodology. In addition, the

modification obliges parties to bring forward issues that they believe are contributing to unidentified gas.

Panel members recognised that providing all available relevant information to the AUGÉ would be expected to lead to the best possible assessment of the appropriate allocation of unidentified gas. This would be expected to improve the allocation of costs between Shippers and, by improving cost reflectivity, would facilitate the development of effective competition. Some Members felt this would be particularly facilitated by implementation since there would be an explicit obligation to raise all known issues, providing an incentive not to be selective with the information provided. However, other Members felt that the ability to provide information to the AUGÉ is already available such that there would be no improvement in the information available to the AUGÉ as a result of implementing the modification - if no additional information is provided, there would be no impact on this relevant objective.

Members were concerned that compliance with the obligations would not be capable of being monitored or enforced. In particular, the obligation to bring forward issues known to the party and believed to influence unidentified gas implies a need to understand both what each User knows and believes. Introducing obligations that Users cannot comply with/demonstrate they are complying with, and which cannot be enforced, could be regarded as adversely impacting the relevant objective of promotion of efficiency in the implementation and administration of the Code.

With two out of a possible ten votes cast in favour, Panel Members did not determine to recommend that Modification 0343 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
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114.9 Consents to Modify

- a) CO44 - Revision to the legal text associated with the implementation of UNC Modification Proposal 0269 raised to provide Exit Information at all NTS Exit Points for the transitional exit period

RHe explained the reason for requesting the consent is that the legal text failed to include all exit points, as envisaged in the modification. TD advised that Consent CO41 addressed a similar issue of the legal drafting not capturing all aspects of the modification. In that case, the Panel had not supported the consent, and consistency would suggest this consent not being supported. JF believed the context was different as it does not reverse a requirement of a modification but aims to clarify the scope.

Following discussion, Members determined to support the consent.

114.10 Any Other Business

- a) Code Administration Code of Practice – Half Year KPIs

TD presented the half-year KPI results. Members considered the report is useful and should continue. RS was concerned that the number of representations per mod may reduce, reflecting the congested nature of the regulatory arena.

- b) Request Procedure

TD explained the rules for seeking a Request and that a Request had recently been discouraged, as it was inconsistent with the Code of Practice which refers to an issues process for pre-modification development of ideas. It was also noted that a Request is for consideration by the Panel rather than a Workgroup.

RHe advised that National Grid NTS had raised the Request in an attempt to instigate a review of a topic. ST thought this should be managed as an issue in an issues group and a modification raised if required.

It was agreed that the Joint Office should prepare a Request Procedure proforma for consideration at a subsequent meeting

114.11 Conclude Meeting and Agree Date of Next Meeting

10:30 18 August 2011, at the ENA