

**UNIFORM NETWORK CODE MODIFICATION PANEL**

**MINUTES OF THE 77<sup>th</sup> MEETING**

**HELD ON THURSDAY 16 APRIL 2009**

**Members Present:**

**Transporter Representatives:** R Hewitt (National Grid NTS), S Sherwood (Scotia Gas Networks), A Raper (National Grid Distribution), J Ferguson (Northern Gas Networks) and S Trivella (Wales & West Utilities),

**User Representatives:** A Barnes (Independent Member), A Bal (Shell), C Wright (British Gas Trading), R Fairholme (E.ON UK) and P Broom (GDF Suez)

**Ofgem Representative(s):**

J Dixon

**Joint Office:**

T Davis (Chairman) and J Bradley (Secretary)

**77.1 Note of any alternates attending meeting**

S Sherwood for A Gibson (Scotia Gas Networks), A Raper for C Warner (National Grid Distribution)

**77.2 Record of apologies for absence**

A Gibson and C Warner

**77.3 Receive report on status of Urgent Modification Proposals**

None

**77.4 Consider New, Non-Urgent Modification Proposals**

a) Proposal 0248: "Meter Reading Replacement"

Following a presentation from S Leedham (EDF Energy) and a discussion, the Panel voted UNANIMOUSLY for the Proposal to be referred to the Distribution Workstream. A report to the July 2009 Panel meeting was requested.

b) Proposal 0249: "Introduction of an Enduring Annual NTS Exit (Flat Capacity Invitation Letter"

Following a presentation from R Hewitt (National Grid NTS) and a discussion, the Panel voted UNANIMOUSLY for the Proposal to proceed to Consultation. They did not determine that legal text was required, with no votes cast in favour. The Panel voted UNANIMOUSLY for representations to close-out on 11 May 2009.

c) Proposal 0250: "Introduction of the Code Contingency Guidelines Document"

Following a presentation from R Hewitt (National Grid NTS) and a discussion, R Hewitt offered to amend the Proposal to clarify that the Guidelines were part of the Proposal. Members also requested that National Grid NTS gain clarity on the governance processes within the Guidelines and whether testing requirements need to be incorporated in the body of the Proposal. The Panel then voted UNANIMOUSLY to defer consideration of the Proposal to the May 2009 Panel meeting.

### **77.5 Consider New Proposals for Review**

- a) Review Proposal 0251: "Review of the Determination of Daily Calorific Values"

Following a presentation from R Hewitt (National Grid NTS) and a discussion, the Panel voted UNANIMOUSLY for the Proposal to proceed to Review. The Review Group was requested to report to the October 2009 Panel.

- b) Review Proposal 0252: "Review of Network Operator Credit Arrangements"

S Trivella (Wales & West Utilities) identified that he was not requesting that this be discussed at short notice and it was agreed UNANIMOUSLY that the Proposal not be considered at short notice.

### **77.6 Consider Terms of Reference.**

Review Proposal 0251: "Review of the Determination of Daily Calorific Values"

It was agreed that Terms of Reference, for Panel approval, would be considered at the initial meeting and would merit careful consideration. It was suggested that a representative of the ERA be invited to participate.

### **77.7 Existing Modification Proposals for Reconsideration**

- a) Proposal 0194: "Framework for correct apportionment of NDM error"

J Dixon indicated that this Proposal, which had been submitted to Ofgem on 20 November 2008, together with Proposal 0194A, will be the subject of an Impact Assessment. The Panel therefore voted UNANIMOUSLY to defer consideration pending the outcome of this Impact Assessment.

- b) Proposal 0194A: "Framework for correct apportionment of LSP unidentified gas"

The Panel voted UNANIMOUSLY to defer consideration pending the outcome of the Impact Assessment.

### **77.8 Consider Variation Requests**

None

### **77.9 Consider Workstream Monthly Reports**

#### **Matters for Panel's Attention**

- a) **Extensions Requested**

Proposal 0229 "Mechanism for correct apportionment of unidentified gas"

Following a request, the Panel voted UNANIMOUSLY to extend the time for the Distribution Workstream to report until June 2009.

- b) **Development Work Group Reports for Consideration**

Proposal 0224: "Facilitating the use of AMR in the Daily Metered Elective Regime"

The Panel discussed and voted UNANIMOUSLY to accept the Report.

S Trivella identified progress on obtaining costs from xoserve and suggested that these be established prior to the Proposal proceeding to consultation. Following further discussion, the Panel voted whether the Proposal should proceed to consultation, the following Members casting votes: A Barnes, A Bal, C Wright, R Fairholme and P Broom. Therefore

the Panel did not vote for the Proposal to proceed to consultation. The Panel then voted UNANIMOUSLY for the Proposal to be discussed on 30 April 2009.

**c) Review Group Reports for Consideration**

Review Proposal 0221: "Review of Entry Capacity and the Appropriate Allocation of Financial Risk"

The Panel discussed and voted UNANIMOUSLY to accept the Report.

**d) Workstream Reports for Consideration**

Proposal 0246: "Quarterly NTS Entry Capacity User Commitment"

National Grid NTS agreed to amend the Proposal to delete the square brackets. It was clarified that Ofgem intend undertaking an Impact Assessment on this Proposal, and J Dixon confirmed that there was no further analysis which Ofgem wished to see completed prior to the Proposal being issued to consultation. Following further discussion, the Panel voted for the Proposal to proceed to consultation, the following Members casting votes: R Hewitt, S Sherwood, A Raper, J Ferguson, S Trivella, A Barnes, C Wright, R Fairholme and P Broom. R Hewitt indicated that National Grid intended providing legal text during the consultation period and, in light of this, Panel Members did not determine that legal text was required, with no votes cast in favour.

**77.10 Consider Final Modification Reports.**

a) Proposal 0242: "Changes to the window for the submission of Valid Meter Readings"

The Panel voted to discuss this Report at short notice, the following Members casting votes: R Hewitt, S Sherwood, A Raper, J Ferguson, A Barnes, A Bal, C Wright, R Fairholme and P Broom.

Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. They did not determine that new issues had been raised that justified seeking further views from a Workstream or Development Work Group.

Members considered that, by improving the accuracy of energy allocation and hence transportation and energy balancing charges, implementation could be expected to further the GT Licence 'code relevant objective' of "*the securing of effective competition between relevant shippers*".

The Panel then voted UNANIMOUSLY to recommend implementation of the Proposal.

On behalf of Ofgem, J Dixon requested that the Transporters provide legal text.

b) Proposal 0247: "Alignment Of Interruption Application Rules for Annual and Ad-Hoc Applications"

It was noted that, at a previous meeting, Members had determined to consider this Report at short notice. Members considered the report was in the correct form and discussed whether or not to recommend implementation of the Proposal. They did not determine that new issues had been raised that justified seeking further views from a Workstream or Development Work Group.

Members considered that, by removing the need to run two separate Interruption allocation processes, implementation could be expected to

further the GT Licence 'code relevant objective' of *"the promotion of efficiency in the implementation and administration of the network code and/or uniform network code"*.

The Panel then voted UNANIMOUSLY to recommend implementation of the Proposal.

On behalf of Ofgem, J Dixon requested that the Transporters provide legal text.

**77.11 Receive report on status of Consents.**

The following consents are with Ofgem for approval:

C020: "Changes to Document References Contained Within the UNC"

C021: "Changes to Cross References Contained Within UNC TPD Section F – System Clearing, Balancing Charges and Neutrality"

C030: "Correction of a cross reference error in the legal text for UNC Modification 0240 Promoting Competition in Operating Margins Provision"

C031: "Revisions to the legal text for UNC Modification 0195AV"

A consent may be raised shortly relating to UNC Modification 0213V.

**77.12 Any Other Business**

TD identified that Proposal 0213V would be implemented on 17 April 2009. The new guidance document required by the Proposal will be in place on the Joint Office website ready by 17 April 2009. TD then asked for approval for revised Modification Proposal templates in accordance with the format provided as part of Modification Proposal 0213V. This was approved UNANIMOUSLY.

**77.13 Conclude Meeting and Agree Date of Next Meeting:**

The Panel noted that the next Panel meeting is due to be held by teleconference at 13:00 on 30 April 2009.