

## Summary of Panel / UNCC Outcomes from 18 and 19 July 2018

Agenda Item	Outcome
<b>New Modifications</b>	
<b>0661R – Reconciliation and Imbalance Cash Out prices</b> <a href="https://www.gasgovernance.co.uk/0661">https://www.gasgovernance.co.uk/0661</a>	<ul style="list-style-type: none"> <li>▪ A new Review group has been established.</li> <li>▪ 0661 Request Workgroup Report to be presented by 10 December 2018 Modification Panel.</li> </ul>
<b>0663S – Extending the data comprised under the definition of Supply Point Premises Data (TPD V5.18.1)</b> <a href="https://www.gasgovernance.co.uk/0663">https://www.gasgovernance.co.uk/0663</a>	<ul style="list-style-type: none"> <li>▪ Modification 0663 will follow Self-Governance procedures.</li> <li>▪ Modification 0663 will be considered within the Distribution Workgroup.</li> <li>▪ Initial representations for consideration at Workgroup are requested no later than 08 August.</li> <li>▪ Workgroup Report to be presented by 20 September 2019 Modification Panel.</li> </ul>
<b>Modifications for Reconsideration</b>	
<b>0619/A/B - Application of proportionate ratchet charges to daily read sites</b> <a href="https://www.gasgovernance.co.uk/0663">https://www.gasgovernance.co.uk/0663</a>	<ul style="list-style-type: none"> <li>▪ Members noted that the Final Modification Report had been with Ofgem for decision for 4 months.</li> <li>▪ Ofgem advised that a decision on these Modifications was imminent, but did not have any further information to add at this time.</li> </ul>
<b>Workgroup Reports</b>	
<b>0651 – Changes to the Retrospective Data Update provisions</b> <a href="https://www.gasgovernance.co.uk/0651">https://www.gasgovernance.co.uk/0651</a>	<ul style="list-style-type: none"> <li>▪ Issued to Consultation which closes on 09 August 2018.</li> <li>▪ The Final Modification Report will be presented (<i>at short notice</i>) to the 16 August Modification Panel.</li> </ul>
<b>0653 – Updating the parameters for the NTS Optional Commodity Charge – Introducing the NTS Optional Capacity Charge</b> <a href="https://www.gasgovernance.co.uk/0653">https://www.gasgovernance.co.uk/0653</a>	<ul style="list-style-type: none"> <li>▪ Panel determined that this Modification be returned to the Workgroup for further assessment.</li> <li>▪ A Report is to be presented by 20 September Modification Panel.</li> </ul>
<b>0656 - Changes to Modification Panel arrangements</b> <a href="https://www.gasgovernance.co.uk/0656">https://www.gasgovernance.co.uk/0656</a>	<ul style="list-style-type: none"> <li>▪ Panel determined that this Modification should be returned to the Workgroup for further assessment.</li> <li>▪ A Report is to be presented by 20 September Modification Panel.</li> </ul>
<b>Final Modification Reports</b>	
<b>0621ABCDEFHJKL – Amendments to Gas Transmission Charging Regime</b> <a href="https://www.gasgovernance.co.uk/0621">https://www.gasgovernance.co.uk/0621</a>	<ul style="list-style-type: none"> <li>▪ No new issues were identified.</li> <li>▪ Panel recommended that none of the 0621 Modifications were suitable for implementation by majority vote.</li> <li>▪ When considering which Modification better facilitates the achievement of the Relevant Objectives: <ul style="list-style-type: none"> <li>○ Panel Members voted and with <b>1 vote in favour that proposed Modification 0621</b> better facilitates the Relevant Objectives than the</li> </ul> </li> </ul>

	<p>proposed Modifications 0621A/B/C/D/E/F/H/J/K/L</p> <ul style="list-style-type: none"> <li>○ Panel Members voted and <b>with 1 vote in favour that proposed Modification 0621A</b> better facilitates the Relevant Objectives than the proposed Modifications 0621/B/C/D/E/F/H/J/K/L</li> <li>○ Panel Members voted and with <b>2 votes in favour that proposed Modification 0621B</b> better facilitates the Relevant Objectives than the proposed Modifications 0621/A/C/D/E/F/H/J/K/L</li> <li>○ Panel Members voted and <b>with 1 vote in favour that proposed Modification 0621C</b> better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/D/E/F/H/J/K/L</li> <li>○ Panel Members voted and with <b>1 vote in favour that proposed Modification 0621D</b> better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/E/F/H/J/K/L</li> <li>○ Panel Members voted and with <b>0 votes in favour that proposed Modification 0621E</b> better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/F/H/J/K/L</li> <li>○ Panel Members voted and with <b>0 votes in favour that proposed Modification 0621F</b> better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/E/H/J/K/L</li> <li>○ Panel Members voted and with <b>0 votes in favour that proposed Modification 0621H</b> better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/E/F/J/K/L</li> <li>○ Panel Members voted and with <b>0 votes in favour that proposed Modification 0621J</b> better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/E/F/H/K/L</li> <li>○ Panel Members voted and with <b>0 votes in favour that proposed Modification 0621K</b> better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/E/F/H/J/L</li> <li>○ <b>Panel Members voted and with 0 votes in favour that proposed Modification 0621L</b> better facilitates the Relevant Objectives than the proposed Modifications 0621/A/B/C/D/E/F/H/J/K.</li> </ul> <ul style="list-style-type: none"> <li>▪ Awaiting Ofgem decision.</li> </ul>
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<p><b>0628S – Standard Design Connections: PARCA process</b>  <a href="https://www.gasgovernance.co.uk/0628">https://www.gasgovernance.co.uk/0628</a></p>	<ul style="list-style-type: none"> <li>▪ No new issues were identified.</li> <li>▪ Implementation was unanimously supported.</li> <li>▪ To be implemented 30 October 2018.</li> </ul>
<p><b>0629S – Standard Design Connections: A20 connection process modification</b>  <a href="https://www.gasgovernance.co.uk/0629">https://www.gasgovernance.co.uk/0629</a></p>	<ul style="list-style-type: none"> <li>▪ No new issues were identified.</li> <li>▪ Implementation was unanimously supported.</li> <li>▪ To be implemented 30 October 2018</li> </ul>
<b>AOB</b>	
<p><b>Panel Feedback</b></p>	<ul style="list-style-type: none"> <li>▪ M Shurmer advised that feedback was being requested from Panel attendees and that the feedback would be reviewed at a later date.</li> </ul>
<p><b>Publication of Follow-up letter - Preparing for EU exit</b>  <a href="https://www.ofgem.gov.uk/publications-and-updates/follow-letter-preparing-eu-exit-licence-and-industry-code-modifications">https://www.ofgem.gov.uk/publications-and-updates/follow-letter-preparing-eu-exit-licence-and-industry-code-modifications</a></p>	<ul style="list-style-type: none"> <li>▪ P Garner advised that Ofgem had provided notification that they were asking Panels to note that Brexit is approaching, and that preparation work is likely to be required. Industry Codes and participants were expected to cooperate with ensuring the industry was prepared.</li> </ul>
<p><b>Requirement for Panel Members to express a preference on Alternative Modifications</b></p>	<ul style="list-style-type: none"> <li>▪ M Shurmer noted that S Mulinganie had requested views from Panel Members on the appropriateness of expressing a view on a Modification when comparing it to other alternative Modifications. In particular there were concerns on how a Panel Member could indicate a preference for a Modification they have not supported for implementation.</li> <li>▪ M Shurmer also noted that this issue had been extensively discussed at the previous meeting. He drew Members attention to the Modification Rules where there is an expectation that analysis is required to be undertaken by Panel Members for inclusion in the Final Modification Report. In addition, analysis required to understand preferred options (if any), why this position has been achieved and why Modifications might not be supported. He also noted that Ofgem had advised that the Panel discussions captured in Final Modification reports was useful in aiding them in their consideration of Modifications.</li> </ul>
<p><b>Switching Programme</b></p>	<ul style="list-style-type: none"> <li>▪ D Fittock asked if Ofgem had been in contact about the consequential impacts of faster switching on UNC and the activities being undertaken. He was under the impression that Ofgem should have written to the Joint Office.</li> <li>▪ R Fairholme noted that there was a letter published by Ofgem concerning the switching programme and that there was a possibility that licensees would be mandated to cooperate. Shipper/Transporters Members are representatives of licenced parties, how would this licence change impact the operation of Panel Members or wider industry parties.</li> <li>▪ R Elliot advised that he would ask for a view within Ofgem in terms of how the drafting</li> </ul>

	<p>should be interpreted and ask them to provide an update back to Panel.</p> <ul style="list-style-type: none"> <li>It was noted that Panel might want to consider responding to the consultation and P Garner and R Fairholme agreed to draft a number of questions to Ofgem on the potential licence impacts required to meet the Switching Programme.</li> </ul>
<b>Governance Workgroup</b>	<ul style="list-style-type: none"> <li>Members Modification 0656 - Changes to Modification Panel arrangements, is the main scope of activity in the Governance Workgroup.</li> <li>Once Modification 0656 is complete, the Workgroup would then consider a Code of Conduct and other related activities discussed previously at Panel.</li> </ul>
<b>IGTUNC Consultation</b>	<ul style="list-style-type: none"> <li>C Warner advised that the IGT UNC had launched an RFI and that it has potential for wide-ranging impacts on both Codes.</li> </ul> <p>It was suggested that due to holidays and it being a busy period, Joint Office should ask that the consultation period be extended to allow parties more time to respond.</p>
<b>UNC Committee (UNCC) Matters</b>	
<b>Proposed changes to the UNC Validation Rules (for approval)</b>	<ul style="list-style-type: none"> <li>Proposed Changes Approved by UNCC</li> </ul>
<b>Proposed changes to the NDM Demand Estimation Methodology (for approval)</b>	<ul style="list-style-type: none"> <li>On 18<sup>th</sup> July 2018 Members had determined by majority vote to defer approval of the amendments to the NDM Demand Estimation Methodology to the August meeting. DESC were also to be asked provide a view of the proposals in terms of approval or disapproval and the update to be set out in the DESC minutes.</li> <li>On 19<sup>th</sup> July members reopened this section of the agenda for further discussion as an error in the approval process for the NDM Demand Estimation Methodology had been identified and this could impact the discussions and outcomes of the previous days meeting.</li> <li>P Garner advised that UNC Section H 1.13 Demand Estimation Methodology identifies DESC as the approving body for the methodology and not UNCC. P Garner apologised on behalf of the Joint Office for not identifying this issue sooner.</li> <li>Members felt that the DESC vote could not be disregarded in this instance and therefore their recommendation to implement the amendments to the methodology was in fact an implementation decision.</li> <li>Joint Office agreed to review of the governance process to understand if this issue could be avoided in the future and assess</li> </ul>

	<p>whether the appeal process should be amended if UNCC/DESC members had subsequent concerns over decisions made by DESC.</p> <ul style="list-style-type: none"> <li>▪ Therefore, the proposed Changes were noted as Approved by DESC.</li> </ul>
<b>Final AUG Table</b>	<ul style="list-style-type: none"> <li>▪ Final AUG Table for 2018/19 Approved by UNCC</li> </ul>
<b>Proposed changes to the AUG Framework Document</b>	<ul style="list-style-type: none"> <li>▪ Proposed Changes Approved by UNCC</li> </ul>
<b>IGTAD Terms of Reference</b>	<ul style="list-style-type: none"> <li>▪ Members noted the Terms of Reference.</li> </ul>