

Record of Determinations: Panel Meeting 16 August 2018

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought
		AG	DF	GW	JCh	RF	SM	CW	DL	HC	JF	RP	JCo	JA	EP	
0665 - (Urgent) - Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ)	To be considered at short notice - <i>unanimous vote in favour?</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0665 be considered at short notice?
	Not recommended to follow Urgent Procedures - <i>unanimous vote against?</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Should Modification 0665 follow Urgent Procedures?
	To be considered at short notice - <i>unanimous vote in favour?</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0665 be considered at short notice?
	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Not a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0665 with a report presented by the 17 January 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the 17 January 2019 Panel?
0666 (Urgent) - Establishment of a CSS Bid Group for CDSP central switching system bid activities	To be considered at short notice - <i>unanimous vote in favour?</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0666 be considered at short notice?
	Recommended to follow Urgent Procedures - <i>unanimous vote in favour?</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0666 follow Urgent Procedures?
0664 - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Is Modification related to Significant Code Review?
	Is a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0664 with a report presented by the 20 December 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup with a report by the 20 December 2018 Panel?
0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme	Returned to Workgroup 0630R with a report to be presented by the 20 September 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Request be returned to Workgroup for further assessment with a report by the 20 September 2018 Panel?

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		AG	DF	GW	JCh	RF	SM	CW	DL	HC	JF	RP	JCo	JA	EP	
0652 – Introduction of winter read/consumption reports and associated obligations	Returned to Workgroup 0652 with a report to be presented by the 18 October 2018 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be returned to Workgroup for further assessment with a report by the 18 October 2018 Panel?
0654S - Mandating the provision of NDM sample data	Proceed to Consultation, with consultation closing out on 07 September 2018 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0654S be issued to consultation, ending on 07 September 2018 (includes a deemed request for Legal Text) ?
0657S - Adding AQ reporting to the PARR Schedule reporting suite	Proceed to Consultation, with consultation closing out on 07 September 2018 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0657S be issued to consultation, ending on 07 September 2018 (includes a deemed request for Legal Text?)
0663S - Extending the data comprised under the definition of Supply Point Premises Data (TPD V5.18.1)	Workgroup 0663 reporting extended to 18 October 2018 Panel meeting - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup 0663S reporting date to October 2018 Panel Meeting?
0649S - Update to UNC to formalise the Data Enquiry Service Permissions Matrix	Legal Text requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To request legal Text?
0656 - Changes to Modification Panel arrangements	Legal Text requested - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To request legal Text?
0651- Changes to the Retrospective Data Update provisions	No new issues were identified during Consultation - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Were new issues identified during Consultation?
	Modification 0651 not recommended for implementation - <i>majority vote against</i>							✓	✓	✓	✓	✓	✓			Should Modification 0651 be recommended for implementation?

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

UNC Modification Panel
Minutes of the 229 Meeting held on Thursday 16 August 2018
at

Elaxon, 4th Floor, 350 Euston Road, London NW1 3AW

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representatives
A Green (AG), Total D Fittock (DF), Corona Energy G Wood* (GWO), British Gas J Chandler (JCh), SSE R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom	D Lond (DL), National Grid NTS C Warner (CW), Cadent H Chapman (HC), SGN J Ferguson (JF), NGN R Pomroy (RP), WWU J Cooper* (JCo), BUUK Infrastructure	E Proffitt (EP), MEUC J Atherton (JA), Citizen's Advice

Non-Voting Members:

Chairperson	Ofgem Representative	Independent Supplier Representative
M Shurmer (MS), Chair	R Elliott	

Also in Attendance:

A Miller* (AM), Xoserve; E Fyfe (EF), SGN; E Rogers (ER), Xoserve; J Welch* (JW), Npower; M Bellman (MB), Scottish Power; R Fletcher (RFI), Secretary; R Hailes (RHa), Joint Office; R Hinsley (RHi), Xoserve; S Brittain (SBr), Cornwall Insight

**by teleconference*

Record of Discussions

Introduction

MS welcomed all attendees to the meeting, advising that Joel Atherton was now the appointed representative for Citizens Advise and that John Cooper would be the IGT nominated representative for future meetings.

229.1 Note of any alternates attending meeting

D Fittock for E Wells, Corona Energy

G Wood for A Margan, British Gas
J Cooper for N Rozier, BUUK

229.2 Record of Apologies for absence

A Margan
E Wells
N Anderson
N Rozier

229.3 Minutes and Actions of the Last Meeting(s)

Members approved the minutes from the previous meeting on 18th and 19th July 2018.

PAN01/07: To seek views on the interpretation of licence impacts likely as a consequence of faster switching and how the duty to cooperate would impact individual Panel Members.

Update: RE advised that the intent of the licence changes is for parties to cooperate and support system development and not to constrain other industry change activities such as Panels. It is expected Panel Members should continue to operate as now.

RE asked Members to note that his colleague Jon Dixon would welcome the opportunity to provide an update at the September meeting.

RFa was still concerned that the current drafting appears to be at odds with these views. However, he would be willing to review the position once Ofgem had updated the drafting based on consultation responses.

Carried Forward.

PAN02/07: Draft a number of questions to Ofgem on the potential licence impacts required to meet the Switching Programme proposed licence changes.

Update: BF advised that PG was in the process of reviewing the questions and would be contacting RFa prior to the next meeting.

Carried Forward

PAN03/07: Contact the IGT UNC Code Administrator and enquire if the consultation period could be extended.

Update: BF advised that the IGTUNC Code Administrator had advised that they had extended the consultation.

There was a general discussion around the issues being raised in the Request for Information exercise, with a view that joint Workgroups might be required should more fundamental issues be identified for progression.

The Chair of IGTUNC is to be invited to the September Panel to provide an update.

Closed

229.4 Consider Urgent Modifications

RE confirmed at the start of the meeting that Ofgem would like Panel to express a view on the urgency of the two short notice modifications.

a) **Modification 0665 - (Urgent) - Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ)**

SM introduced the Modification; its aims and reasons Urgency was being requested. The Modification has been raised following a review of the statements and concerns set out in Ofgem's decision letter for Modifications 0619/A/B.

RFa asked why the Modification couldn't proceed under normal procedures. SM advised that the aim is to implement by 01 October as this was the start of the Gas Year and therefore the change needed to be progressed quickly. RFa asked if this is likely to impact Customer contracts. SM was unsure as they were customer specific and he wouldn't have sight of them, however he acknowledged it could be a possibility.

RP was concerned about the analysis and process to be adopted at such short notice, as there may be all sorts of issues that might be constraining a site and it would involve a significant amount of time and effort to review all of the potential sites. JF agreed that from an operation perspective, it would be difficult to ramp up at such short notice. HC agreed as they have been doing a similar process with the analysis to support Modifications 0619/A/B. HC thought the aim for the industry should be to undertake a wholesale review. SM challenged that this issue has been in progress for 2¹/₂ years and something needs to be done sooner.

CWa asked how the proposals would be managed consistently as a process across all DNOs. SM suggested that this is down to DNOs demonstrating compliance against their licence. RP challenged the process as set out and if it is achievable based on the tests established for this purpose, there were significant gaps. CWa wanted to understand how appeals would be managed by Ofgem, would they be suitably qualified to undertake this task.

SM noted the comments and felt that the Authority is best placed to up hold the process as other parties had no way of challenging the safety case or other related commercial issues, as they do not have the rights to seek information in the way Ofgem does.

SM suggested it might be worth building meetings into the Urgent process but without extending the overall timeline.

CWa agreed meetings would be worthwhile as a process timeline was needed, including establishing guidelines and identifying impacts on charging methodologies.

JF felt a better understanding of the process with the right people attending was needed, so that they could provide an overview of the process impacts. SM was comfortable with the approach subject to Transporters developing the guidelines documents to support the process and Modification.

SB advised that they had been approach by parties seeking to understand

the current regime, as they felt they were being held back from utilising Product Class 2 because of the risks associated with ratchet charges.

RHi advised that October would be very optimistic for an interim solution and a system solution would take longer.

SM confirmed that following discussions, he was intending to notify the Joint Office and Ofgem that he wished to withdraw the request for Urgency for this Modification. RE confirmed that in such an event there would be no decision for Ofgem to take concerning urgency. SM emphasised that the withdrawal was based on the understanding that Transporters would develop the guidelines document and the Workgroup would report no later than January 2019 Panel.

For Modification 0665 Members determined:

- It should be considered at short notice by unanimous vote;
- To recommend that Modification 0665 should not follow Urgent Procedures, by unanimous vote.

Following confirmation that the request for Urgency had been withdrawn, for Modification 0665 Members determined:

- It should be considered at short notice by unanimous vote;
- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are not met as this Modification is expected to have a material impact on the contractual arrangements for the transportation of gas, or impact competition between Shippers and Suppliers, by unanimous vote; and
- That Modification 0665 be issued to Workgroup 0665 for assessment, with a report to be presented no later than the 17 January 2019 Panel, by unanimous vote.

b) Modification 0666 (Urgent) - Establishment of a CSS Bid Group for CDSP central switching system bid activities

AM introduced the Modification and its aims on behalf of the proposer.

RP asked which of the Urgent Criteria is being satisfied by the Modification. AM advised that the Modification is satisfying a significant commercial impact and a time constrained event.

CWa requested confirmation that the developments agreed within the proposed group are provided to Transporters as they have Licence conditions to establish an agency and they need reassurance that they are not going to be put in breach.

JF was concerned that a regulated asset is being used for non-regulated activities. This would require a more involved process with potential implications on licence should the Xoserve bid be successful. AM agreed these would need to be reviewed should the bid be successful but would not need to be considered for this Modification.

CWa asked if the bid is likely to impact CDSP activities or the delivery of

CDSP services, is the bid activity ring fenced as it is not subject to influence from other DSC Committees.

AM confirmed the bid activity is ringfenced from other parts of Xoserve, however this won't be to the detriment of other activities such as the delivery of core CDSP services.

RP wondered why the modification couldn't be issued straight to consultation to give respondents more time.

AM felt it would be useful to discuss the suggested legal text at a workgroup meeting so that any amendments could be incorporated prior to consultation. It should be noted that Transporters have the obligation to provide Legal Text.

SM felt there was a significant risk for a material impact on Shippers and Suppliers should Xoserve be prevented from participating in the bid process.

JF supported a meeting due to the complexities of understanding the suggested legal text.

For Modification 0666 Members determined:

- It should be considered at short notice by unanimous vote;
- Recommends that Modification 0666 should follow Urgent Procedures, by unanimous vote.

229.5 Consider New Non-Urgent Modifications

a) Modification 0664 - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4

JW introduced the Modification and its aims.

JF asked if there were a Must Read requirement for Class 3 sites. RHi advised that most sites are submitting sufficient reads to meet the Must Read obligations but these are different to and not sufficient for Product Class 2 & 3 meter read submissions requirements as set out in Code.

SM suggested that the issue to be addressed is poor performance and not to target issues around systemic system failure for example. The proposals should also be clear in targeting only poor performers and no to create another penal barrier against Product Class 2 nomination.

Workgroup Questions:

- Consider the Shipper/Supplier relationship for incentives.
- Consider IGT impacts

For Modification 0664 Members determined:

- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are not met as this Modification is

expected to have a material impact on the contractual arrangements for the transportation of gas, or impact competition between Shippers and Suppliers, by unanimous vote; and

- That Modification 0664 be issued to Workgroup 0664 for assessment, with a report to be presented no later than the 20 December 2018 Panel, by unanimous vote.

229.6 Existing Modifications for Reconsideration

- a) None

229.7 Consider Workgroup Issues

None

229.8 Workgroup Reports for Consideration

a) Request 0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme

For Request 0630R, Members determined:

- It should be referred back to Workgroup 0630R for further assessment, with a report by the 20 September 2018 Panel.

b) Modification 0652 – Introduction of winter read/consumption reports and associated obligations

For Modification 0652, Members determined:

- It should be referred back to Workgroup 0652 for further assessment, with a report by the 18 October 2018 Panel.

c) Modification 0654 - Mandating the provision of NDM sample data

HC confirmed the Suggested Legal Text provided for the Workgroup was suitable to meet the deemed request for Legal Text for inclusion in the Draft Modification Report.

SM challenged that the modification appeared to be contradictory around qualification criteria i.e. defines a minimum number of Supply Points to be mandated to participate but includes no rules should a parties portfolio reduce during a year.

Members noted the Workgroup Report and the recommendations it contained.

- Members determined Modification 0654 should be issued to consultation, with a consultation close date of 07 September 2018, by unanimous vote.

d) Modification 0657S - Adding AQ reporting to the PARR Schedule reporting suite

HC confirmed the draft Legal Text provided for the Workgroup was suitable to meet the deemed request for Legal Text for inclusion in the Draft Modification Report.

Members noted the Workgroup Report and the recommendations it contained.

- Members determined Modification 0657S should be issued to consultation, with a consultation close date of 07 September 2018, by unanimous vote.

229.9 Consideration of Workgroup Reporting Dates and Legal Text Requests

Members determined unanimously to extend the following Workgroup reporting date(s):

Workgroup	New Reporting Date
0663S - Extending the data comprised under the definition of Supply Point Premises Data (TPD V5.18.1)	20 December 2018

Members determined unanimously to request Legal text for the following modification(s):

Modification
0649S - Update to UNC to formalise the Data Enquiry Service Permissions Matrix
0656 - Changes to Modification Panel arrangements

229.10 Consider Variation Requests

None.

229.11 Final Modification Reports

- a) Modification 0651 - Changes to the Retrospective Data Update provisions

Panel discussion: see the Final Modification Report published at:
<https://www.gasgovernance.co.uk/0651>

Members voted by majority vote not to recommend implementation of

229.12 AOB

a) Panel Feedback

MS advised that feedback was being requested from Panel attendees and that the feedback would be reviewed at a later date. RHi agreed to email copies of the forms to Members for this and future meetings.

b) UNC Modification 0619, 0619A, 0619B – Ofgem decision Letter

MS noted Ofgem's decision letter and the comments on the Panel discussions. He drew Members attention to the recent changes, which have improved Panel's performance in terms of reviewing modifications against the Relevant Objectives. RE advised that Ofgem were pleased to see improvements in the Panel discussions as this aided their decision making.

Members discussed a number of options for managing Panel discussions as follows:

1. Use Joint Office prepared text provided premeeting and/or presented on the day – Members felt this option had been discounted as it has the potential to lead discussions;
2. Members provide statements in advance of the meeting for inclusion in the report – Members were concerned that this might reduce the open discussions on Modifications and prevent Members from changing their minds following a discussion.
3. Continue as is with discussions captured in the meeting – Members felt this option offered the correct balance of discussion and involvement from Members. Noting that it does increase the time required to discuss a Modification.

There was a discussion around the concerns raised in the Performance Assurance Committee letter following their consideration of the Ofgem decision letter for Modification 0619/A/B. It was noted that if progress were made quickly for Modifications 0647, 0664 and 0665 a number of the issues would be addressed, therefore the Panel request is for PAC to identify any gaps they consider would need to be managed.

c) Legal Text Guidance Document (annual review)

MS noted that this was the time for the annual review of the Legal Text document and asked Members for their comments and views.

CWa advised that would like to propose a wider review of the legal text provisions in Code and suggested this topic be included in the Governance Workgroup scope from September onwards.

SM agreed with these comments and suggested that a central provider would be useful to move the issues forward. CWa agreed but would also see funding as open for discussion. RFa suggested funding is a price

control issue and may not be appropriate for the Workgroup.

Members agreed further discussion should take place at the Governance Workgroup and that there were no amendments proposed to the Legal Guidelines document at this time.

d) Appointment of an Additional Consumer Representative

BF advised Members that the tenure for the Non-domestic representative expires on 30 September 2018. The Joint Office aims to write to UNC participants on its widest distribution list and seek nominations for an appoint to commence from 01 October 2018. Should a nomination be made a recommendation would be made to Ofgem, as they have the responsibility under the Modification Rules to appoint the Consumer Representative.

RE advised that Ofgem are aware of their role for this year but would like to see industry/Panel become more proactive in this role and for the Modification Rules to be changed, so that the industry directly appoints the Consumer Representative. Members were concerned about this approach as they were unsure as to the definition of a Consumer Representative and the approach for selection.

BF advised that currently it is proposed to seek nominations this year and to use the Shipper nomination process. However, this would mean that if there were more than one nomination, only Shippers would be able to take part in the election process as they have nominated SPOCs. Other Panel Members are nominated and appointed using a different process.

Both SM and AG were concerned that only Shippers would be taking part in the election process if required and that it should not be for one constituency to decide who represents a different constituency. Other Members agreed with this view and offered the opinion that Ofgem should make a decision based on the nominations provided.

RE was concerned about this approach and advised that he seek further advice within Ofgem.

MS summarised the discussion by advising that the Joint Office would seek nominations for the Membership year commencing 01 October 2018 and that all nominations would be provided to Ofgem for their consideration. He observed that it was somewhat odd that industry should be asked to nominate a consumer rep and wondered whether this might be better facilitated by Ofgem. He noted Ofgem's thoughts on future appointments and felt that the subject should be included in the wider review of Panel operation in the Governance Workgroup.

New Action PAN 01/08: The Joint Office to seek nominations for the Consumer Representatives for appointment from 01 October 2018.

e) Request 0661R - Reconciliation and Imbalance Cash Out Prices

RP noted that attendance by Transporters at this Workgroup is unlikely or

very limited as the subject has very little impact on them. He suggested that the Terms of Reference are amended so that the meeting is quorate if 1 Transporter attends. Members agreed with this pragmatic approach.

229.13 Date of Next Meeting

- Members noted that should Modification 0666 be granted Urgency, an extraordinary Panel meeting would need to be arranged in line with the timetable published in Authority's decision letter.
- 10:30, Thursday 20 September 2018, at Elexon, to consider Final Modification Reports.

Action Table (16 August 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAN 01/07	19/07/18	228.12 d)	To seek views on the interpretation of licence impacts likely as a consequence of faster switching and how the duty to cooperate would impact individual Panel Members. Update: Ofgem to present views at September Panel.	Ofgem (RE/JD)	Carried Forward review September 2018
PAN 02/07	19/07/18	228.12 d)	Draft a number of questions to Ofgem on the potential licence impacts required to meet the Switching Programme proposed licence changes.	JO/Uniper (PG/RFa)	Carried Forward review September 2018
PAN 03/07	19/07/18	228.12 f)	Contact the IGT UNC Code Administrator and enquire if the consultation period could be extended.	JO (PG)	Closed
PAN 01/08	16/08/18	229.12 d)	The Joint Office to seek nominations for the Consumer Representatives for appointment from 01 October 2018.	JO (BF)	Pending