

Summary of Panel / UNCC Outcomes from 20 December 2018

Agenda Item	Outcome
Urgent Modifications	
<p>0673 (Urgent) – Amendment of UNC and DSC arrangements to enable Xoserve to bid for and provide CSS Service http://www.gasgovernance.co.uk/0673</p>	<ul style="list-style-type: none"> ▪ Panel determined that Modification 0673 (Urgent) should not be issued to Workgroup.
New Modifications	
<p>0675S – Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow http://www.gasgovernance.co.uk/0675</p>	<ul style="list-style-type: none"> ▪ Modification 0675S will follow Self-Governance procedures. ▪ Modification 0675S will be considered within the Transmission Workgroup on the 21 January 2019. ▪ Initial representations for consideration at Workgroup are requested no later than 15 January 2019. ▪ Workgroup Report to be presented by 21 February 2019 Modification Panel.
Existing Modifications for Reconsideration	
<p>0651 – Changes to the Retrospective Data Update provisions https://www.gasgovernance.co.uk/0651</p>	<ul style="list-style-type: none"> ▪ Modification has now been with the Authority awaiting a decision for 4 months, and therefore was considered at the 20 December 2018 Panel meeting. ▪ Ofgem confirmed a decision is expected to be made prior to the January 2019 Panel meeting. ▪ Panel Deferred consideration to the January 2019 Panel.
<p>0674 - Performance Assurance Techniques and Controls http://www.gasgovernance.co.uk/0674</p>	<ul style="list-style-type: none"> ▪ Panel deferred discussion until the 17 January 2019 Panel meeting.
Workgroup Reports	
<p>0652 – Introduction of winter read/consumption reports and associated obligations https://www.gasgovernance.co.uk/0652</p>	<ul style="list-style-type: none"> ▪ Panel determined that this Modification be returned to the Workgroup for further assessment. ▪ A Report is to be presented by the 17 January 2019 Modification Panel.
<p>0668S - Amendment of the Data Permission Matrix to add Alt Han Company as a new User type http://www.gasgovernance.co.uk/0668</p>	<ul style="list-style-type: none"> ▪ Issued to Consultation which closes on 10 January 2019. ▪ The Final Modification Report will be presented (at short notice) to the 17 January 2019 Modification Panel.
Final Modification Reports	
<ul style="list-style-type: none"> • None 	
AOB	

<p>Governance – Panel Members Code of Behaviour</p>	<ul style="list-style-type: none"> ▪ P Garner advised that following inclusion of the introduction section by M Shurmer, the Code of Behaviour was being presented for approval by Members. ▪ P Garner asked Members to note that this Code of Behaviour, while not contractually binding is a sign of intent in terms of both Member and industry expectations. ▪ M Shurmer agreed with the views provided and was supportive of the document and that this sets the scene in terms of managing expectations at meetings to ensure robust discussion while behaving in a professional manner. ▪ Members agreed that the Code of Behaviour should be amended based on the discussion at this meeting for implementation at the next Panel appointment year.
<p>Joint SPAA & UNC MDD Migration Working Group</p>	<ul style="list-style-type: none"> ▪ E Rogers advised that the workgroup held its first meeting on 13th December and it was noted that an obligation is likely to be needed in UNC General Terms Section D, to establish a DSC/CDSP process for the management of this data. ▪ This process would be overseen by the DSC Change Management Committee and Contract Management Committees. ▪ The next meeting is planned for 28 January 2019.
<p>UNC Consumer Representative process</p>	<ul style="list-style-type: none"> ▪ Ofgem advised that they had considered the action to provide a definition for non-domestic consumer representative. It was felt that this should be an industry led initiative and not down to Ofgem to describe what the industry need. It was also suggested that this issue might arise during the wider Codes review and might need to be addressed then. ▪ Members noted the views and agreed the action should be closed.
<p>BEIS/Ofgem Code Review</p>	<ul style="list-style-type: none"> ▪ P Garner asked Members to note that a joint energy Codes review had been established and that the Terms of Reference had been published. There were currently two Workshops planned for 04 and 18 February 2019. Consultation is targeted for May and the process is open to all industry participants. ▪ P Garner advised that Aleena Fielding is to be invited to Panel in the near future as she is the lead representative at BEIS for the process. ▪ Ofgem clarified that BEIS have more powers than Ofgem and this is likely to lead to change in the market as a whole to ensure the industry is fit for purpose.
<p>BREXIT Impact on UNC</p>	<ul style="list-style-type: none"> ▪ Members determined to consider this item at Short Notice. ▪ D Lond provided a brief update on the progress to date to consider the impacts of BREXIT and a potential no deal scenario.

	<ul style="list-style-type: none"> ▪ D Lond explained that the aim is to use Self Governance modifications where possible to change impacted sections of Code. However, Urgent Modifications might be required should the situation change at short notice. ▪ R Fairholme asked if the interconnectors have been contacted. DL confirmed discussions were on going with impacted parties. ▪ Members agreed that future updates would be beneficial.
<p>Meeting Timings</p>	<ul style="list-style-type: none"> ▪ P Garner questioned attendance at meetings, particularly with earlier start times or later finish times, as it was problematic that attendees were leaving meetings prior to the end of the meeting. ▪ S Mulinganie challenged that the meeting is subject to the needs of Workgroup attendees and not based on administrative staff working days – this is due to long commutes to get to different locations and to avoid extended rush hour travelling. ▪ R Pomroy suggested that extended meetings will lead to more attendees dialling into the meeting, which is not desirable in some circumstances. ▪ T Saunders suggested the Joint Office advise participants if they consider a meeting will run over a usual end time such as 3pm so that they can make arrangements to attend.
<p>Modification 0621/A/B/C/D/E/F/G/H/J/K/L - Amendments to Gas Transmission Charging Regime</p>	<ul style="list-style-type: none"> ▪ R Fairholme asked if there was an update on Modification 0621. Ofgem confirmed that the implementation decision has been considered and should be published later that day. ▪ Post Meeting Note: an Ofgem Implementation Decision was received just after the Panel meeting and the Ofgem decision letter is published here - https://www.gasgovernance.co.uk/0621
<p>UNC Committee (UNCC) Matters</p>	
<p>Proposed AUG UNCC Subcommittee</p>	<ul style="list-style-type: none"> ▪ P Garner provided a proposed approach to managing AUG related meetings by the introduction of an AUG Subcommittee, so that the meetings are not confused with standard UNCC meetings and to aid industry parties in finding discussion papers and meeting information. ▪ E Proffitt wanted to understand the process of the AUG and their role as following NEXUS implementation, it has been stated that UIG is between 3 and 4% and not what the AUG advises which is between 1 and 1.5%. Why are they needed if there are more accurate ways of identifying UIG. ▪ S Mulinganie agreed with the sentiment but felt the arrangements were being reconsidered and might change the way the AUG uses information and its methodology going forward, as these are critical factors in the identification and allocation of UIG.

	<ul style="list-style-type: none"> ▪ E Proffitt felt the role could be closed as there is daily balancing. M Bellman advised that the daily scheme leaves an LDZ balancing factor which needs to be allocated and this is the role of the AUGE, they are independent of the industry and establish the allocation factors for UIG. ▪ A Green suggested the factors are reasonably well established and could be set by Ofgem and an expert might not be needed in future. ▪ M Bellman agreed but felt the factors need to be further understood and this would be superseding the previous 1 to 1.5% factors due to the additional information being available following NEXUS implementation and UIG Task Force. ▪ A Green felt the Task Force was undertaking the analysis needed to underpin UIG and perhaps the AUGE should be considering these views and amending their methodology. ▪ Following a review of the AUG Subcommittee Terms of Reference, Members determined unanimously to the establishment of the AUG Subcommittee.
<p>Update on AUGE procurement</p>	<ul style="list-style-type: none"> ▪ Members agreed to consider this item at Short Notice. ▪ F Cottam provided an update on the AUGE procurement process and where Xoserve are currently. F Cottam confirmed that there are some confidential contractual considerations that need to be discussed and it would be desirable if this document was not published on the Joint Office website. ▪ F Cottam clarified the role of the AUGE and their involvement in setting UIG weighting factors. ▪ S Mulinganie highlighted that any re-procurement if required, should establish a different service and not necessarily a different service provider. ▪ A Green asked if the option to re-procure has been missed for 2019/20, this would mean the 2020/21 year would be the normal 5 year event. This was agreed by F Cottam if an extension to the existing arrangement is not offered. ▪ S Mulinganie asked if the request for Stakeholder nominations has been sent. FC advised this has been discussed but needed a view from Members to confirm the skills and knowledge required. ▪ M Shurmer challenged the timing out of meetings due to a full agenda, as his view was the reasons were due to late papers and not running out of time in a meeting. SM challenged the notification and nomination of Stakeholder nominations, as he had not seen an invite. ▪ G Wood asked for a view on the cost of the procurement exercise and how this would be managed with a change in service. ▪ The various options were considered:

	<ul style="list-style-type: none">▪ Option 1 was recommended by Xoserve and was considered favourable by most Members.▪ Option 2 – S Mulinganie asked if the AUG table is rolled forward for an additional 6 months. F Cottam agreed that was the case, this would allow an earlier AUGE procurement, although this would take the AUG year out of alignment with the Gas Year.▪ Option 3 – interim provider. A Green challenged how an interim contract could be put in place so quickly when an enduring arrangement couldn't. F Cottam advised the contract value would be lower for an interim period, this would allow a less strict procurement process.▪ E Proffitt challenged the need to run a procurement process for 18 months, other industries get the process sorted quickly, this is taking far too long. FC advised that the contract is regulated and therefore subject to formal notifications with minimum notice periods. In addition, Code sets out AUG years which impact procurement activities.▪ S Mulinganie suggested Members take time to review the options and what tasks the AUGE will undertake in the future. He intends to discuss options with his procurement team to get a better understanding of the approach.▪ T Saunders asked if deferral to January Panel would leave all of the options available? F Cottam advised that the timetable would need to be revisited and these would be sent out to Members in advance of the next meeting.▪ M Bellman challenged if all of the options would be available by deferring a decision to January and by then other activities might come forward which could impact all of the options.▪ M Shurmer summarised the discussions and felt that the discussion should be deferred to January with the intention of making a decision at the January meeting.
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