

Record of Determinations: Panel Meeting, 18 August 2011

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Representative	Determination Sought
		AB (RS)	CWr	PB	RF	SL	AG(CT)	CWa	JF	RHe(SF)	ST	RHa	
New Modifications													
0391 - Distributed Gas Charging Arrangements	Not related to the Significant Code Review - unanimous vote against	X	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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Modification should not follow Self-Governance Procedures
	Issued to Workgroup 0391 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup 0391 to report to the March 2012 Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the March 2012 Panel
0392 - Proposal to amend Annex A of the CSEP NExA table, by replacing the current version of the AQ table	Not related to the Significant Code Review - unanimous vote against	X	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	X	Modification should follow Self-Governance Procedures
	Not issued to consultation - 10 Votes against and 1 abstention	✓	✓	✓	✓	NV	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Issued to Workgroup 0392 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup 0392 to report to the November Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the November Panel
0393 - Interruptible to Firm – NTS Supply Points Transition	Not related to the Significant Code Review - unanimous vote against	X	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 15 December 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Proposed Self-governance Determination Date to be 15 December 2011
	Issued to Workgroup 0393 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup to Report by the November Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the November Panel
0394 - Legal Text for UNC Modification Proposals	Not related to the Significant Code Review - unanimous vote against	X	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, 7 opposed, 1 abstention	X	X	NV	✓	✓	X	X	X	X	X	✓	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0394 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup to Report by the November Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the November Panel

0395 - Limitation on Retrospective Invoicing and Invoice Correction	Not related to the Significant Code Review - unanimous vote against	X	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	X	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0395 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup to Report by the November Panel - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	Report by the November Panel
	Workgroup to Report by the December Panel - 3 votes in favour, 8 opposed	X	X	X	✓	✓	X	X	X	X	X	✓	Report by the December Panel
	Workgroup to Report by the February 2012 Panel - 9 votes in favour, 2 opposed	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	Report by the February 2012 Panel

0396 - EU Third package: Three week switching	Not related to the Significant Code Review - unanimous vote against	X	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	X	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0395 for assessment - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Workgroup for Assessment
	Workgroup to Report by the November Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Report by the November Panel

Workgroup Reports

Review Proposal 0316 - Review of Section I of the Offtake Arrangements Document (OAD): NTS Operational Flows	Report accepted - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Accept Review Group report
	Recommendations accepted and Review Group closed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Accept Review Group recommendations

Review Proposal 0329 - Review of Industry Charging and Contractual Arrangements – DM Supply Point Offtake Rates (shqs) and DM Supply Point Capacity (soqs)	Report accepted - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Accept Review Group report
	Recommendations accepted and Review Group closed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Accept Review Group recommendations

0363 - Commercial Arrangements for NTS Commingling Facilities	Proceed to consultation - 10 votes in favour, 1 not present	NP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Consultation to 12 September 2011 - 10 votes in favour, 1 not present	NP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consultation to 12 September 2011
	Cost estimate not required - unanimous vote against	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in the Draft Modification Report
	Legal text not required - 7 opposed, 4 no vote	NV	✓	✓	NV	NV	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in the Draft Modification Report

0381 - Removal of the NTS Exit (Flat) Capacity "deemed"	Proceed to consultation - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Consultation to 12 September 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consultation to 12 September 2011

(Flat) Capacity deemed application" process	Cost estimate not required - unanimous vote against	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in the Draft Modification Report
	Legal not text required - unanimous vote against	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in the Draft Modification Report
0382 - Reducing the capacity element of LDZ system charges for SSPs	Proceed to consultation - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Consultation to 12 September 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consultation to 12 September 2011
	Cost estimate not required - unanimous vote against	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in the Draft Modification Report
	Legal not text required - 9 votes in favour, 2 votes opposed	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	X	Legal text not required for inclusion in the Draft Modification Report
0388 - Fixed Parameters for determining Shipper contribution to Unidentified Gas	Proceed to consultation - 7 votes in favour, 4 opposed	✓	✓	✓	X	X	✓	✓	X	✓	X	✓	Issue to Consultation
	Delay issuing DMR for 5 days to allow provision of legal text and Ofgem's supplementary questions - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Delay issuing DMR for 5 days to allow provision of legal text and Ofgem's supplementary questions - unanimous vote
	Extend consultation to 30 September 2011 - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend consultation to 30 September 2011
	Cost estimate not required - unanimous vote*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in the Draft Modification Report
	Legal text not required - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in the Draft Modification Report
* Agreed that AM to provide explanatory paragraph for insertion													
Extensions													
0369(A) – Re-establishment of Supply Meter Points – measures to address shipperless sites	Extension to November Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to November requested
0375 - To provide Users with a choice as to how their Unsecured Credit Limit is determined in line with UNC TPD Section V 3.1.7	Extension to November Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to November requested
0383 - Profiling payment of LDZ transportation charges	Extension to November Panel agreed - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extension to November requested
Existing Modifications													
0345 - Removal of Daily Metered voluntary regime	Consideration deferred to September Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consideration deferred to September Panel - unanimous vote
Final Modification Reports													

0352 - The Introduction of an Interruptible Reverse Flow service at Moffat Interconnector	Consideration deferred to September Panel - unanimous vote	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Defer consideration to September Panel
		AB (RS)	CWr	PB (SL)	RF	SL	AG(CT)	CWa	JF	RHe(SF)	ST	RHa	
0374 - Interruptible to Firm – Supply Point Transition	No new issues identified - unanimous vote	X	X	X	X	X	X	X	X	X	X	X	Did consultation raise new issues
	Implementation not recommended - with 2 votes in favour, 9 opposed	✓	X	✓	X	X	X	X	X	X	X	X	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 P Broom (PB), GDF Suez R Fairholme (RF), E.ON UK R Street (RS), Corona Energy S Leedham (SL), EDF Energy	C Thomson (CT), Scotia Gas Networks C Warner (CWa), National Grid Distribution J Ferguson (JF), Northern Gas Networks S Fisher (SF), National Grid NTS S Trivella (ST), Wales & West Utilities	R Hall (RH), Consumer Focus

Non-Voting Members:

Independent Suppliers' Representative	Ofgem Representative	Chairman (Deputy)
Not present	J Dixon (JD)	B Fletcher (BF), Joint Office

Also in Attendance:

A Miller (AM), Xoserve, A Raper (national Grid Distribution), D Ianora (DI), Ofgem, J Martin (JM), Scotia Gas Networks, and L Dupont (LD), Panel Secretary (Deputy)

By teleconference

E Carr (EC), ScottishPower, and G Evans (GE), Waters Wye

Record of Discussions

115.1 Note of any alternates attending meeting

C Thomson for A Gibson (Scotia Gas Networks), R Street for A Bal (Shell) and S Fisher for R Hewitt (National Grid NTS)

115.1 Record of Apologies for absence

T Davis, A Bal, A Gibson, C Hill, and R Hewitt

115.1 Consider New, Non-Urgent Modifications

a) Modification 0391 – Distributed Gas Charging Arrangements

In the absence of the proposer, CWa introduced the modification and its aims. DI advised that Ofgem will be holding a review on the regulatory framework and a longer period for assessment would therefore be preferred. Members asked for more details of the proposed review. JD responded that Ofgem was soliciting for a UNC review but expected broader representation, following on from an action from DEFRA. It needed to be done sooner rather than later, but JD did not want this to hinder progress of 0391. However it should be borne in mind that the review was going on and Ofgem would not be able to do anything with 0391 until such time as the review was underway and had reached a parallel point at which 0391 could be given appropriate consideration. JD suggested it may be appropriate to hold both meetings on the same day, or that it might be necessary to put 0391 on hold at some point until further impacts are known.

The review was to facilitate biogas, ie to do what needs to be done to achieve its introduction and utilisation.

ST pointed out that the DNOs were concerned to get some consistent and firm arrangements in place as they were already receiving connection requests. Holistic and cohesive thoughts would be promoted by early indications from Ofgem. JD believed an implementation timetable for the changes proposed under 0391 would be helpful; it would then be possible to work backwards. Work done under 0391 would be valuable and not 'wasted'.

ST added that the ENA DN Entry group was joined up with the discussions on 0391. CWa saw no reason why synergies should not be acknowledged and associated meetings could collaborate and be held on the same day.

SL commented that the ToR does not make clear how DN Entry is to be included. CWr also pointed this out in respect of embedded storage.

Members determined that Modification 0391:

- 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 on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes;
- should be issued to a Workgroup for assessment, with a report presented to Panel on 15 March 2012.

The Workgroup is requested to:

- consider the inclusion of DN Entry and embedded storage
- the impacts of the proposed Ofgem review relating to biogas.
- the Workgroup is also requested to arrange meetings in association with the review of biogas arrangements.

b) Self-Governance Modification 0392 – Proposal to amend Annex A of the CSEP NExA table, by replacing the current version of the AQ table

EC introduced the modification and its aims. CWa believed there were a number of issues and believed it should go to Workgroup so the rationale could be more fully explained and clarified. He did not believe it should be Self-Governance as the iGTS and customers were impacted (affected by changing values of AQs – aggregate AQ position affects RbD and the allocation process; also affects new build sites); rather it should go to the Authority for decision. However, SL did not agree and was in favour of the Self-Governance route.

ST pointed out that the iGT modification went to its Panel yesterday and it seemed appropriate that both this and UNC0392 should both be sent to Ofgem for a joint decision on implementation or rejection. ST also observed that it would be useful to send 0392 to a Workgroup because the Table in UNC TPD G3 may also require reviewing.

RHa believed it would be useful to have included what it is being changed from and to, to better understand the materiality. It was pointed out that iGTs do not have a voting representative on the UNC Panel, and if this modification did not go through Ofgem then challenges may be made. RF observed that an iGT could make a representation.

ST believed this modification would have a material impact on new customers through a skewing of the AQ.

JD indicated that it was likely that Ofgem may challenge a decision to assign this to the Self-Governance route.

Members determined that Modification 0392:

- 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 is likely to have a material impact on consumers through distortion of AQ;
- should not be issued to consultation;

- should be issued to a Workgroup for assessment, with a report presented to Panel on 17 November 2011 (but with the aspiration that it be completed within one month rather than three months).

The Workgroup is requested to:

- clarify the rationale for proposed changes (and indicate from and to)
- consider the effect on the information contained within the table in UNC TPD G3.

c) Self-Governance Modification 0393 – Interruptible to Firm – NTS Supply Points Transition

SF introduced the modification and its aims. The booking of Interruptible capacity was briefly discussed and SF confirmed that National Grid NTS believed it should have the right to change Logical Meter Numbers.

Members determined that Modification 0393:

- is not related to the Significant Code Review as it is not a related subject;
- meets the criteria for Self-Governance;
- should be issued to a Workgroup for assessment, with a report presented by the 17 November Panel; and
- should have a Proposed Self-Governance Determination date of 15 December 2011.

d) Self-Governance Modification 0394 – Legal Text for UNC Modification Proposals

RF introduced the modification and its aims. SF indicated that this might impact on the Code of Practice and governance processes; it would create extra work for Transporters and increase the timelines of proposals. ST believed that from a Joint Office and Transporter perspective it would have a significant and material impact on the governance process and the Modification Rules.

Members determined that Modification 0394:

- 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 the Modification Rules and the governance processes;
- should be issued to a Workgroup for assessment, with a report presented by the 17 November Panel.

e) Modification 0395 – Limitation on Retrospective Invoicing and Invoice Correction

SL introduced the modification and its aims. Members discussed the time required by Xoserve to carry out testing, and the potential adverse impacts that the proposed soft landing may have on certain sectors of the market. It was questioned whether it was appropriate for all market sectors and whether the 2 year close out period was appropriate.

SL believed that 4 months would be sufficient development time, however RS disagreed, perceiving that the impact on small suppliers could be very significant and indicated that an RIA might be requested.

JD questioned, as an industry do you make rules around what is practical or what you would like to aspire to and achieve. RS responded that an End to End process for suppliers and customers is the aspiration; there is a disconnection between what customers can go back to and what suppliers can go back to, which needs addressing as it will affect how small suppliers interact with customers.

PB reiterated concerns regarding lead times for process changes. AM indicated that where date changes were proposed the additional testing of dependent processes would be required. It was suggested that impacted processes should be identified and assessed, and that separate Workgroup meetings should be arranged, ie not included on a Distribution Workgroup day.

Members determined that Modification 0395:

- 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 may impact competition in the supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes;
- should be issued to a Workgroup for assessment, with a report presented by the 16 February 2012 Panel.

The Workgroup is requested to:

- identify and review all impacted processes;
- consider/assess the impacts that the proposed soft landing may have on certain sectors of the market;
- consider/assess whether a soft landing was appropriate for all market sectors;
- consider/assess whether the 2 year close out period was appropriate; and
- consider/assess the three/four year option.

f) Modification 0396 – EU Third Package: Three week switching

RF introduced the modification and its aims, explaining that it had been subjected to much discussion over the last 12 months, and was mindful that the raising of alternatives were being considered.

PB indicated that the modification Solution should consistently refer to Business Days and should clarify the assumptions related to the LSP market.

SL believed there were clear interactions between this and the UK Link Committee (UKLC) discussions, and suggested setting up a separate Workgroup and meeting on the same day as UKLC. AM felt 3 months would be sufficient to assess the modification, if this was the only option and in a dedicated group including SPAA and UKLC members. However this would take much longer if alternatives were raised for consideration.

It was also suggested that there might be impacts for Shippers' objection processes relating to dual fuel.

Members determined that Modification 0396:

- is not related to the Significant Code Review as it is not a related subject;
- does not meet the criteria for Self-Governance;
- should be issued to a Workgroup for assessment, with a report presented by the 17 November Panel.

The Workgroup is requested to

- clarify, review and assess any EU compliance issues
- consider any EU consumer protection that may not currently be complied with
- consider risks on Shippers and Transporters
- consider, compare and assess the compliance effective date as opposed to the most efficient date
- consider impacts for Shippers' objection processes relating to dual fuel.

115.1 Consider Workgroup Issues

Workgroup Reports for Consideration

a) Review Proposal 0316 – Review of Section I of the Offtake Arrangements Document (OAD): NTS Operational Flows

Following discussion, Members determined:

- to accept the Review Group Report and recommendations; and
- to conclude the work of the Review Group.

b) Review Proposal 0329 - Review of Industry Charging and Contractual Arrangements – DM Supply Point Offtake Rates (shqs)

and DM Supply Point Capacity (soqs)

Following discussion, Members determined:

- to accept the Review Group Report and recommendations; and
- to conclude the work of the Review Group.

c) **Modification 0363 – Commercial Arrangements for NTS Commingling Facilities**

No new issues had been identified.

Following discussion, Members determined that Modification 0363:

- should proceed to consultation;
- that the final day for submitting representations is to be 12 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.

d) **Modification 0365 – National Grid NTS Initiated Flow Swaps**

BF advised that the Proposer had withdrawn this modification on 16 August 2011.

e) **Self-Governance Modification 0381 – Removal of the NTS Exit (Flat) Capacity “deemed application” process**

No new issues had been identified.

Following discussion, Members determined that Self-Governance Modification 0381:

- should proceed to consultation;
- that the final day for submitting representations is to be 12 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 0382 – Reducing the capacity element of LDZ system charges for SSPs**

No new issues had been identified.

BF drew attention to the information slide provided by Wales & west Utilities.

Following discussion, Members determined that Modification 0382:

- should proceed to consultation;
- that the final day for submitting representations is to be 12 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.
- that the DMR should include the DNOs systems prices charges provided by Wales & West Utilities

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

No new issues had been identified. RF queried the provision of legal text. AR confirmed that text could be provided for inclusion in the Draft Modification Report. Whilst recognising the principle that this should not be issued without legal text, JD was conscious of the constraint on timescales involved with this modification, and indicated that Ofgem would attempt to reach a decision by the end of October should the FMR be presented to the October Panel. JD had concerns regarding the materiality of redistribution, and a view may need to be taken as to whether this should be implemented in this year.

RS pointed out this will fundamentally affect how Shippers price in the AUG costs; the costs of doing this later were material and also affect the degree of transparency available to the customer relating to costs. The Shipper would also incur rebuilding costs, if this were brought in later.

GE would personally rather see uncertainty on costs of implementation knowing it would be a lot less, than the eventual cost to customers and Shippers should this modification be delayed.

To aid clarity, AM undertook to provide a paragraph on costs/impacts that could also be included in the Draft Modification Report. The Final Modification Report would go the October Panel, and assuming that Ofgem were quickly able to reach a decision to implement, this would be in time for April.

JD reiterated that his main concerns related to the reallocation of costs across the market and would prefer to let the AUG process run for a year before amending it.

GE confirmed there was no 'K' concept included in the modification.

BF suggested that Ofgem might consider including supplementary questions in the Consultation template for parties to address in their representations; JD agreed to devise appropriate questions for inclusion and provide to the Joint Office by the end of next week.

It was also suggested that the issuing of the Draft Modification Report be delayed until Friday 26 August 2011 to allow for the provision and inclusion of draft legal text and Ofgem's supplementary questions. The

consultation date was discussed and it was agreed to extend the consultation period to Friday 30 September 2011.

Following discussion, Members determined that Modification 0388:

- should proceed to consultation;
- that the consultation period should commence on 26 August and the final day for submitting representations is to be 30 September 2011;
- that a formal cost estimate was not required for inclusion in the draft Modification Report (however information for inclusion will be provided by Xoserve) ;
- that draft legal text was required for inclusion in the draft Modification Report.

115.1 Extensions Requested

a) Modification 0369/0369A – Re-Establishment of Supply Meter Points – measures to address Shipperless sites.

CWa reported that National Grid Distribution was unable to provide the legal text for 0369A, as a revised modification was awaited from the Proposer. He was also concerned that this might delay progress of 0369.

The Joint Office was requested to contact the Proposer to facilitate speedy revision of Modification 0369A.

Members determined unanimously to extend the time for the Workgroup to report until 17 November 2011.

b) Modification 0375 – To Provide Users with a choice as to how their Unsecured Credit Limit is determined in line with UNC TPD Section V3.1.7

Members determined unanimously to extend the time for the Workgroup to report until 17 November 2011.

c) Modification 0383 – Profiling payment of LDZ transportation charges

JF expressed concern that the Proposer had not attended meetings either by teleconference or in person and suggested a one month extension might be more appropriate until such time as the Proposer's intentions had been clarified. However being mindful of a small supplier's resource constraints, Members then determined unanimously to extend the time for the Workgroup to report until 17 November 2011.

The Joint Office was requested to contact the Proposer to ascertain his intentions.

115.1 Existing Modification Proposals for Reconsideration

a) Modification 0345 - Removal of Daily Metered voluntary regime

BF confirmed that the supplementary consultation was to close out on 05 September 2011.

Following discussion, Members determined unanimously that further consideration of Modification 0345:

- should be deferred to the 15 September 2011 Panel meeting.

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

SF confirmed that the implementation date had been set at 01 September 2011.

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

BF confirmed that a decision to implement had been received from Ofgem; the implementation date had yet to be confirmed.

115.1 Consider Final Modification Reports

a) ***Modification 0352 – The Introduction of an Interruptible Reverse Flow service at Moffat Interconnector***

The Panel had been asked to consider this at short notice, but following a brief discussion, and confirmation and assurance given by DI that it will be acceptable to defer it a month because Ofgem will make the decision by the date required, the Panel decided not to consider the Final Modification Report at this at this meeting.

The Panel agreed unanimously to defer consideration of the Final Modification Report for Modification 0352 on the basis that Ofgem had committed to give a decision at the end of September, with the proviso of calling an ad hoc interim Panel meeting if necessary.

b) **Modification 0374 – Interruptible to Firm – Supply Point Transition**

The Chair summarised that, with effect from 1st October 2011, the UNC provides for all Supply Points to be Firm and so charged on a consistent basis. To support transition of the affected Supply Points from Interruptible to Firm status, Modification 0374 proposes a “soft landing” for those sites being forced to transfer from Interruptible to “Firm” Status with effect from 1st October 2011.

This modification proposes that ratchet charges will be levied and then reimbursed for a Site with Interruptible Supply Point status changing to a Firm Daily Metered Supply Point from 1st April 2011 until 31 May 2012, for charges applicable from 01 October 2011 to 31 May 2012.

Some Members noted that the Proposal allows consumers who were previously interruptible and not experienced in the operation of the firm market, the opportunity to establish appropriate SOQs without the risk of facing ratchet charges for a fixed period of time and therefore furthers relevant objective d) as it benefits competition. Other members did not consider this approach furthers the relevant objectives as the industry

has been given sufficient notice to manage the transition from interruptible to firm with consumers.

Some Members held opposing views on whether the modification would benefit or distort competition and therefore further relevant objective d), by allowing a market sector to avoid ratchet charges for a fixed period of time, as Shippers may not be able to reflect accurate SOQs for consumers who contract with them from 1st October, as they may not have access to historical information. Other Members considered Transporters would be in a position to provide such information to Shippers where requested.

Some Members were concerned that there may be a negative impact on the operation of the network and the modification would be detrimental to relevant objective a).

Members were unable to identify the licence obligation referred to by the Proposer to further relevant objective c).

In summary, some Members considered the modification benefits competition; other Members considered the modification was detrimental to competition and the operation of the system.

With 2 votes cast in favour and 9 votes against, Panel Members did not determine to recommend that Modification 0374 should be implemented.

Implementation will better facilitate the achievement of Relevant Objective d.	
The benefits against the Code Relevant Objectives	
Description of Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	No
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.	No
c) Efficient discharge of the licensee's obligations.	No
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.	Balanced
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.	No

f) Promotion of efficiency in the implementation and administration of the Code	No
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115.1 Consents to Modify

- a) **C040 – 03087 – RG0252 Proposal 11: Appropriate use of the terms Surety and Security in UNC TPD Section V**

It was confirmed this had been implemented.

- b) **C041 – Revision to the legal text associated with the implementation of 0320V Code Governance Review: Appointment and Voting Rights for a Consumer Representative and Independent Panel Chair**

JD was not clear that this was a Consent, and undertook to review and confirm whether it needed to be withdrawn or be rejected.

- c) **C042 – Corrections to UNC TPD Section Y, Part A – NTS Charging Methodologies**

JD indicated that a decision would be made shortly.

- d) **C044 - 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**

JD did not provide a view and no further comments were received.

115.1 Any Other Business

- a) **Request Procedure Proforma**

BF presented a draft Request Procedure Proforma for consideration. It was agreed to publish it alongside the Minutes and that Members would review and comment in advance of discussion at next month's meeting.

115.1 Conclude Meeting and Agree Date of Next Meeting

10:30 15 September 2011, at the ENA