

**Uniform Network Code Modification Panel**

**Minutes of the 89<sup>th</sup> Meeting**

**Held on Thursday 17 December 2009**

**Members Present:**

**Transporter Representatives:** R Hewitt (National Grid NTS), C Warner (National Grid Distribution), J Ferguson (Northern Gas Networks), B Dohel (Scotia Gas Networks) and S Trivella (Wales & West Utilities)

**User Representatives:** A Bal (Shell), M Young (British Gas Trading), P Broom (GDFSuez), S Rouse (Statoil) and S Leedham (EDF Energy)

**Ofgem Representative:** J Dixon

**Consumer Representative:** R Hall

**Joint Office:** T Davis (Chair) and J Bradley (Secretary)

**89.1 Note of any alternates attending meeting**

B Dohel for A Gibson (Scotia Gas Networks), M Young for C Wright (British Gas Trading) and R Hall for A Hall (Consumer Focus)

**89.2 Record of Invitees to the meeting**

D Moore (Gas Forum)

**89.3 Record of apologies for absence**

A Gibson, C Wright and A Hall

**89.4 Short Notice Items**

T Davis confirmed that the Panel had previously determined to consider Proposal 0269 (Provision of Exit Information at all NTS Exit Points for the transitional exit period) at short notice, and asked for views on whether the Panel was willing to discuss other materials received since the agenda had been published. P Broom indicated that, as Proposer, he was not seeking for Proposal 0279 (Improving the availability of meter read history and asset information) to be considered at short notice.

Following a brief discussion, the Panel determined:

- by PANEL MAJORITY to consider Proposal 0278 (Amendments to NTS Shrinkage Reporting Process) with the following casting votes in favour: R Hewitt, C Warner, B Dohel, M Young, P Broom, S Rouse and S Leedham; and
- UNANIMOUSLY not to consider Terms of Reference for Proposals 0270 (Aggregated Monthly Reconciliation for Smart Meters), 0272 (Mod 640 Validation Arrangements for when a Change of Shipper has occurred) and 0274 (Creation of a National Revenue Protection Service).

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

**Proposal 0275 - Reduction in DM LDZ Exit Capacity for Supply Points with Significant Changes in Usage**

This Proposal is with Ofgem and a decision is expected shortly.

## **89.6 Consider New, Non-Urgent Modification Proposals**

### **a) Proposal 0277 - Creation of Incentives for the Detection of Theft of Gas (Supplier Energy Theft Scheme)**

Following a presentation by M Young, C Warner questioned whether the references to Suppliers meant this was not a valid Proposal. M Young clarified that the intention was for the proposed UNC obligations to apply to Shippers.

Some Members felt that the relationship with Proposal 0274, Creation of a National Revenue Protection Service, meant the two Proposals should be progressed together, thereby helping to deliver a consistent outcome. However, it was also recognised that lack of progress on one Proposal should not delay the other. The Panel then voted by PANEL MAJORITY for this Proposal to be referred to a Development Work Group with the following casting votes in favour: R Hewitt, C Warner, J Ferguson, B Dohel, S Trivella, A Bal, S Rouse and S Leedham. The Development Work Group would be open to all attendees, and was requested to draft Terms of Reference and report to the April Panel Meeting. The Panel recommended that the Development Work Group should meet on the same day as Development Work Group 0274.

### **b) Proposal 0278 - Amendments to NTS Shrinkage Reporting Process**

Following a presentation by R Hewitt, the Panel voted UNANIMOUSLY for this Proposal to proceed to consultation and set a close-out date for representations of 12 January 2010. The Panel noted that Suggested Text had been provided, and determined that formal legal text would not be required with no votes cast in favour.

## **89.7 Consider New Proposals for Review**

None

## **89.8 Consider Terms of Reference.**

None

## **89.9 Existing Modification Proposals for Reconsideration**

T Davis reminded the Panel that Modification Proposals 0246 - Quarterly NTS Entry Capacity User Commitment, and its Alternatives had been with Ofgem for more than four months. He described the actions that the Panel might take within the Modification Rules, including writing to Ofgem asking when a decision was likely to be made. The Panel then voted by PANEL MAJORITY for the Panel Secretary to write to Ofgem seeking a decision date, with the following casting votes in favour: J Ferguson, B Dohel, S Trivella, A Bal, P Broom, S Rouse and S Leedham.

## **89.10 Consider Variation Requests**

None

## **89.11 Consider Workstream Monthly Reports**

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

#### **Extensions Requested**

### **a) Proposal 0248 - Meter Reading Replacement**

Following a request, the Panel voted UNANIMOUSLY to extend the time for the Distribution Workstream to report until 15 April 2010.

**b) Review Proposal 0264 - Review of Industry Arrangements to Accommodate Reduced Demand at DM Supply Points**

Following a request, the Panel voted UNANIMOUSLY to extend the time for the Distribution Workstream to report until 21 January 2010.

**c) Modification Proposal 0273 - Governance of Feasibility Study Requests to Support Changes to the Network Exit Agreements**

Following a request, the Panel voted UNANIMOUSLY to extend the time for the Distribution Workstream to report until 20 May 2010.

**89.12 Workstream Report For Consideration**

**Proposal 0268 - Change to the Provisions Determining the Earliest Reading Date Applicable within the AQ Review**

The Panel accepted UNANIMOUSLY the Workstream Report. National Grid Distribution expressed the intention, within its representation, of clarifying the benefits of this Proposal in terms of the Relevant Objectives. The Panel then voted UNANIMOUSLY for the Proposal to proceed to Consultation, with a close-out on 12 January 2010. The Panel did not determine that legal text was required, with no votes cast in favour.

**89.13 Consider Final Modification Report**

**Proposal 0269 - Provision of Exit Information at all NTS Exit Points for the transitional exit period**

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.

R Hewitt clarified that, while the Proposal only referred to the benefits of making information available to Users, National Grid NTS intend publishing to mean making the information available to all interested parties. Panel members considered that this would provide additional information to all involved in the market. It was recognised that making additional information available to market players would be expected to facilitate the 'code relevant objective' of *"the securing of effective competition between relevant shippers and between relevant suppliers"*. However, some members were unsure that this information would be of use to the market and therefore facilitation of this objective had not been clearly demonstrated. The Panel then voted UNANIMOUSLY to recommend implementation.

**89.14 Receive report on status of Consents**

The following consents are with Ofgem for approval:

- a) C020 - Changes to Document References Contained Within the UNC"
- b) C021 - Changes to Cross References Contained Within UNC TPD Section F – System Clearing, Balancing Charges and Neutrality
- c) C033 - Removal of a Redundant Cross Reference & Clarification of TPD Section K
- d) C034 - SC2004 Solutions - Industry Interfacing Project which is identifying system and process change requirements arising from the SOMSA project

### **89.15 Any Other Business**

#### **a) Ofgem Decision on Proposal 0262 - Treatment of Capacity affected by Force Majeure**

S Trivella introduced a presentation provided by M Dalton (BG Group). J Dixon outlined the reasons for rejection of Proposal 0262. In particular, he identified that the lack of mechanisms in the UNC to challenge the declaration of Force Majeure. The presentation suggested a number of alternatives that could address the issues raised by Ofgem. It was agreed that this should be discussed at the Transmission Workstream.

#### **b) Modification Templates**

T Davis proposed that this be considered at the Governance Workstream.

### **89.16 Conclude Meeting and Agree Date of Next Meeting**

The Panel noted that the next meeting was planned for 10.00 on 21 January 2010.