

Record of Determinations: Panel Meeting 17 October 2013

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Representative	Determination Sought
		SM	AG	CWr	PB	RF	CWa	EM	JF	RH	SE	KES	
0465 - Introduction of the Planning and Advanced Reservation of Capacity Agreement (PARCA), Weighted Average PARCA Security	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
	Legal Text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request legal text
	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Consultation to close out on 11 November - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend consultation
0466 - Daily Meter Reading Simplification	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 0466 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup 0466
	Workgroup to report by the March 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the March 2014 Panel
0467 - Project Nexus - iGT Single Service Provision; data preparation	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
	Legal Text requested - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request legal text
	Issued to Workgroup 0467 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup 0467
	Workgroup to report by the January 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the January 2014 Panel

0468 – Unique Property Reference Number (UPRN) Population by Gas Transporters	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 0468 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup 0468
	Workgroup to report by the April 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the April 2014 Panel
0469 – Transporter Gas Safety Visit Reporting	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 in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0469 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup 0469
	Workgroup to report by the March 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the March 2014 Panel
0470 – Notification of Minimal Safety operating gas needs of large customers	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 0470 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup 0470
	Workgroup to report by the March 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the March 2014 Panel
0425 – Re-establishment of Supply Meter Points – Shipperless sites	Variation is immaterial - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Variation is immaterial
0435 – Arrangements to better secure firm gas supplies for GB customers	Workgroup to report by April 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend Workgroup reporting date to April 2014 Panel
0451(A) - Individual Settlements For Pre-Payment & Smart Meters	Issued to Workgroup 0451 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup 0451
	Workgroup to report by the November 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the November 2013 Panel
0448 - Aligning UNC with Licence Conditions relating to European legislative change and Alternative Modification Proposals	Returned to Workgroup - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Return to Workgroup for further assessment
	Workgroup to report by the December 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the December 2013 Panel

0452 – Introduction of the Planning and Advanced Reservation of Capacity Agreement (PARCA)	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Legal text not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in DMR
	Cost estimate not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in DMR
	Consultation to close out on 11 November - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Extend consultation
0457S - Extending the use of the UK Link Network (Information Exchange (IX)) to Meter Asset Provider (MAP) organisations	Proceed to consultation - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Issue to Consultation
	Legal text not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Legal text not required for inclusion in DMR
	Cost estimate not required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Cost estimate not required for inclusion in DMR
0425V - Re-establishment of Supply Meter Points – Shipperless sites	Legal text required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request legal text
0464 (Urgent) - Alternative LNG supply to the Scottish Independent Networks (SINs)	Not returned to Workgroup - unanimous vote against	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Did consultation raise new issues
	Legal text required - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request Legal text
	Implementation recommended - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to recommend implementation
C052 - Revision to the legal text associated with the implementation of UNC Modification 0376S Increased Choice when Applying for NTS Exit Capacity”	Consent to modify route recommended - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Whether to recommend progressin as a consent

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

UNC Modification Panel

Minutes of the 149th Meeting held on Thursday 17 October 2013 at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
A Green (Total) C Wright (CWr), British Gas P Broom (PB), GDF Suez R Fairholme (RF), E.ON UK S Mulinganie (SM), Gazprom	C Warner (CWa), National Grid Distribution E Melen (EM), Scotia Gas Networks J Ferguson (JF), Northern Gas Networks R Hewitt (RH), National Grid NTS S Edwards (SE), Wales & West Utilities	K Elliott-Smith (KES), Consumer Focus

Non-Voting Members:

Chairman	Ofgem Representative
T Davis (TD), Joint Office	A Rooney (ARo), Ofgem

Also in Attendance:

A Margan (AM), British Gas; A Raper (ARa), National Grid Distribution; C Baldwin* (CB), E.ON UK; G Evans (GE), WatersWye; H Chapman (HC), Xoserve; J Chandler* (JCR), SSE; L Jenkins (LJ), National Grid NTS; R Fletcher (RF), Secretary; R Johnson (RJ), WINGAS and S McGoldrick (SMc), National Grid NTS.

* by Teleconference

Record of Discussions

149.1 Note of any alternates attending meeting

E Melen for A Musgrave (Scotia Gas Networks)

S Mulinganie for A Barnes (Gazprom)

149.2 Record of Apologies for absence

A Barnes and A Musgrave.

149.3 Minutes of the Last Meeting

The minutes of the last meeting were accepted.

149.4 Consider Urgent Modifications

- a) Modifications 0451 0451A (Urgent) - Individual Settlements For Pre-Payment & Smart Meters

TD explained that Ofgem had sent the Final Modification Report back to Panel asking for it to be amended for the following reasons:

- Legal text should be included that would enable either modification to be given full effect; and
- Ofgem have sought further clarity from Xoserve on its high level estimate of the implementation and operational costs of implementing either modification, and any further information Xoserve provides on this should be included in a revised version of the Final Modification Report.

JF explained that there were problems with producing the text because the business rules were not developed in sufficient detail to allow the completion of the drafting.

RH suggested that the modification should be returned to the Workgroup such that the changes needed to complete the text could be agreed, and the modification could then be varied as necessary. TD clarified that a modification can only be varied up to the point at which the Final Modification Report is sent to Ofgem for a decision. This potentially precludes Modifications 0451 and 0451A being varied since the Report has been submitted to Ofgem. However, as the Report has been returned and will be resubmitted, it could be argued that a variation is acceptable since it will subsequently be submitted to Ofgem. Members suggested that the Modification rules should be interpreted as flexibly as possible in order to progress the modifications efficiently.

PB was concerned about the time to be taken if the Final modification Report were to be referred to a Workgroup. The modifications were designated as urgent by Ofgem, and he questioned whether a short notice Panel meeting should be arranged soon after the Workgroup. JF indicated that she would look to set up a meeting with the proposers and Xoserve in the following week. The Workgroup could then meet and review the outcome.

ARo suggested that the Workgroup should be asked provide fully developed modifications, including rules clear enough to draft text. The Final Modification report should include sufficient evidence to allow Ofgem to make an informed decision.

Members determined that Final Modification Report 0451(A):

- Should be returned to Workgroup 0451 for further assessment, with an amended Final Modification Report presented by the November Panel.

149.5 Consider New, Non-Urgent Modifications

- a) Modification 0465 - Introduction of the Planning and Advanced Reservation of Capacity Agreement (PARCA), Weighted Average PARCA Security

JC introduced the modification and its aims and why he would like it to be progressed alongside Modification 0452. TD explained that this modification could not be considered as an alternative to Modification 0452 as the Workgroup report had been concluded before this modification was raised.

For Modification 0465, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on customers;
- To request Legal text;
- It should proceed to consultation and that consultation should close on 11 November 2013.

- b) Modification 0466 - Daily Meter Reading Simplification

CWa introduced the modification and its aims. SM wanted to understand why this modification had been raised at his time to change DM services when it had been an accepted principle that DM services would not be amended until after Nexus implementation. CWa acknowledged that it had been informally agreed that there should be no significant change to the DM service until after Nexus delivery, but this modification would not result in the service being substantially changed. The service would not be withdrawn, but a change in approach was envisaged. SM would prefer to see a more wholesale approach and wanted to understand why the service was being amended without the option of using other service providers.

For Modification 0466, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition and consumers; and
- The modification be issued to Workgroup 0466 for assessment with a report presented by the March 2014 Panel.

- c) Modification 0467 - Project Nexus - iGT Single Service Provision; data preparation

CWa introduced the modification and its aims, suggesting that it be referred for Workgroup assessment. SM asked what the Workgroup would be expected to do given this is an enabling modification, with no associated change to the UNC and no service created. CWa felt it would be likely that the Workgroup would want to see the changes proposed to the CSEP NExA Annex A. PB requested that the Workgroup clarify the costs and implementation section of the modification since the current information is not applicable.

For Modification 0467, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition between Shippers since it facilitates steps to create a single supply point process incorporating the iGTs; and
- The modification be issued to Workgroup 0467 for assessment with a report presented by the January 2014 Panel.

d) Modification 0468 – Unique Property Reference Number (UPRN) Population by Gas Transporters

CB introduced the modification and its aims, explaining that a similar exercise is being undertaken in the electricity industry. PB asked if this was a Project Nexus related modification. CB confirmed that the change is required whether Nexus was implemented or not, but it is likely to be efficient to implement it as part of the Nexus suite of changes.

For Modification 0468, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on competition and consumers; and
- The modification be issued to Workgroup 0468 for assessment with a report presented by the April 2014 Panel.

e) Modification 0469 – Transporter Gas Safety Visit Reporting

AM introduced the modification and its aims.

CWa noted that there were a number of errors in the modification in terms of referring to Shipper when it should be Supplier, and that it should apply following a meter removal and not where the Shipper withdraws from site. He was also concerned that this modification was potentially a SPAA rather than UNC issue.

SM noted that not all UNC parties are members of SPAA and felt that this modification was worth developing to provide more visibility of performance. SE was concerned that the modification was ignoring where Shippers request and pay for the disconnection of a service pipe.

For Modification 0469, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are met as this modification is not expected to have a material impact on competition or consumers; and
- The modification be issued to Workgroup 0469 for assessment with a report presented by the March 2014 Panel.

f) **Modification 0470 – Notification of Minimal Safety operating gas needs of large customers**

RJ introduced the modification and its aims. ARa asked if this is placing a formal obligation to undertake the service. GE confirmed this modification was to provide information and not to place a formal obligation to provide a minimum supply level.

ARo asked if there were any interactions with the SCR and asked other Members to consider and the evidence either way. RH felt there may be a tenuous link to the DSR tender since the same sites may be involved and a the issue of turn down is common as such, perhaps there was a link. TD did not think this modification was linked as it should have no impact on any DSR offers that may be made, and was based on local constraints and not national.

For Modification 0470, Members determined:

- The modification is not related to the Significant Code Review as it relates to local transportation constraints and does not impact any involvement in any mechanisms that are likely to be developed under the SCR;
- The criteria for Self-Governance are not met as this modification is expected to have a material impact on consumers; and
- The modification be issued to Workgroup 0470 for assessment with a report presented by the March 2014 Panel.

149.6 Consider Variation Requests

a) **Modification 0425 – Re-establishment of Supply Meter Points – Shipperless sites**

AM explained the variation request and that it aims to reflect the legal text and provide further clarification in light of comments from Ofgem. RH questioned the business rules suggesting that, as amended, they were not clear - he was unsure following what type of visit the check and reporting would take place. SM felt it was clear that it would be mandatory in instances where there is a gas safety visit. However, the check would be undertaken in other circumstances where the staff on site were in a position or have the information available to do so.

Following discussion, Members unanimously determined that the Modification 0425 Variation Request was immaterial.

Modification 0425 will therefore be deemed withdrawn and replaced by Modification 0425V, which will continue through the modification procedures at the same stage as reached by 0425 (see 149.8 below).

149.7 Consider Workgroup Issues

Workgroup Reports for Consideration

a) **Modification 0448 - Aligning UNC with Licence Conditions relating to European legislative change and Alternative Modification Proposals**

Members accepted the recommendations in the Workgroup Report and determined for Modification 0448 that:

- it should be returned to Workgroup 0448 for further assessment, with a report presented by the December Panel.

b) Modification 0452 – Introduction of the Planning and Advanced Reservation of Capacity Agreement (PARCA)

RH explained the changes to the modification subsequent to the Workgroup Report having been completed, which were relatively minor.

Members accepted the recommendations in the Workgroup Report and determined for Modification 0452 that:

- It should proceed to consultation;
- Legal text is not required for inclusion in the draft Modification Report;
- A cost estimate is not required for inclusion in the draft Modification Report;
- Consultation should close on 11 November 2013.

c) Modification 0457S - Extending the use of the UK Link Network (Information Exchange (IX)) to Meter Asset Provider (MAP) organisations

CW explained the change made to the modification subsequent to the Workgroup Report having been completed, which brought the modification in line with the legal text. Members accepted the recommendations in the Workgroup Report and determined for Modification 0457S that:

- it should proceed to consultation;
- legal text is not required for inclusion in the draft Modification Report;
- a cost estimate is not required for inclusion in the draft Modification Report.

Consideration of Workgroup Reporting Dates

Members determined unanimously to extend the following Workgroup reporting date:

Workgroup	Report By Panel Meeting
0435 - Arrangements to better secure firm gas supplies for GB customers	April 2014

149.8 Final Modification Reports

a) Modification 0425V - Re-establishment of Supply Meter Points – Shipperless sites

TD noted that, as a new modification, the Panel had not requested legal text for Modification 0425V. Members then unanimously voted in favour of requesting that legal text be prepared.

CWa indicated that appropriate legal text had already been provided to the Joint Office and could be included in the Modification report. As such, he suggested the Panel should make a recommendation at this stage as to whether or not to recommend implementation. PB noted that it had been suggested that the Panel should scrutinize Modification Reports carefully to ensure they were complete before being submitted to Ofgem. The latest version of legal text, as contained in the final Modification Report, includes square brackets, suggesting it is not complete. He suggested that, to reassure themselves about the acceptability of the legal text, Members would need to see it and so should not make a recommendation at his stage.

It was agreed that Members would consider the final Modification Report, including the legal text, at the November Panel.

b) Modification 0464 (Urgent) - Alternative LNG supply to the Scottish Independent Networks (SINs)

The Panel Chair summarised that the UNC assumes that gas to supply the Scottish Independent Networks (SINs) is delivered by road tanker from National Grid's Avonmouth LNG facility. This modification creates arrangements that allow alternative supplies to be used, for example if there are operational difficulties that prevent gas being delivered from Avonmouth.

Members noted that Standard Special Licence Condition A9.2 obliges Scotia Gas Networks to meet peak aggregate daily demand. By ensuring gas supplies are available on a continuing basis, some Members believed implementation of this modification would be expected to facilitate efficient discharge of the licensee's obligations. One Member believed that the obligation relates to providing transportation capacity and not gas and so is not facilitated by implementation.

Some Members considered that having contingency arrangements in place is in customers' interests – helping to ensure that gas can be supplied. Ensuring that gas can be delivered could be expected to encourage reliance on gas by SIN connected customers, and so make customers available to supply. By supporting market activity, implementation may therefore be expected to facilitate the securing of effective competition between Shippers and between Suppliers. Other members did not consider this would impact competition because the customers are already being supplied and the size of the market will not be impacted by implementation.

Members then voted unanimously to recommend that Modification 0464 should be implemented.

149.9 Any Other Business

a) Consent to Modify C052 - Revision to the legal text associated with the implementation of UNC Modification 0376S Increased Choice when Applying for NTS Exit Capacity"

RH explained that this consent had been raised to correct the UNC after the implementation of Modification 0376S, which had overwritten some other modifications that had been implemented subsequent to the legal text being prepared for 0376S.

Members unanimously recommended to Ofgem that the proposed changes be pursued as a consent.

b) Update on Modifications 0432 and 0453

CWa advised that National Grid intends to withdraw Modification 0453 (Project Nexus – Demand Estimation) and to incorporate the requirements within an amended Modification 0432 (Project Nexus – gas settlement reform). This was following discussions in the Nexus Workgroup where participants expressed a desire for this to happen as it would not be possible to implement one modification without the other, and it would be beneficial to present the advantages in the same modification.

149.10 Conclude Meeting and Agree Date of Next Meeting

10:30 21 November 2013, at the ENA.