

Record of Determinations: Panel Meeting 18 April 2019

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought
		AG (EP)	DF	GJ	MB	RF	SM (EP)	DL	GD	HC	RP	TS	JCo	JA (MS)	EP	
0685 - Amendment of the UNC term 'Gas Deficit Warning' to 'Gas Balancing Notification'	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?
	Proceed to Consultation, with consultation closing out on 21 May 2019 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0685 be issued to Consultation, closing on 21 May 2019?
	Legal Text requestd - <i>unanimous vote if favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To Request Legal Text?
0686 - Removal of the NTS Optional Commodity Rate with adequate 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 0686 satisfy Self-Governance criteria?
	Not to proceed to Consultation, with consultation closing out on 14 May 2019 - <i>majority vote against</i>	X	X	X	✓	X	X	✓	X	X	X	X	X	X	✓	Should Modification 0686 be issued to Consultation, closing on 14 May 2019?
	Issued to Workgroup 0686 with a report to be presented to the 16 May 2019 Panel - <i>majority vote in favour</i>	NV	✓	X	✓	X	NV	✓	✓	✓	✓	✓	✓	NV	X	Should Modification be issued to Workgroup 0686 with a report presented to the 16 May Panel?
	Legal Text requestd - <i>unanimous vote if favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓
0687 - Clarification of Supplier of Last Resort Cost Recovery Process	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 0687 with a report to be presented to the 15 August 2019 Panel - <i>majority vote in favour</i>	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup 0687 with a report presented to the 15 August Panel?
0688 - Recovery of Shipper Losses incurred in Supplier of Last Resort events	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 0688 with a report presented by the 15 August 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup 0688 with a report by the 15 August 2019 Panel?

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		AG (EP)	DF	GJ	MB	RF	SM (EP)	DL	GD	HC	RP	TS	JCo	JA (MS)	EP	
0689 - Removing the requirement to support Invoice queries before the due date with information from the .AML file	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 0689 with a report presented by the 15 August 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup 0688 with a report by the 15 August 2019 Panel?
0690 – Reduce qualifying period for Class 1	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>majority vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0690S with a report presented by the 15 August 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup 0690S with a report by the 15 August 2019 Panel?
0691 – CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met	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 in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification satisfy Self-Governance criteria?
	Issued to Workgroup 0691S with a report presented by the 15 August 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup 0691S with a report by the 15 August 2019 Panel?
0667 - Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC	Proceed to Consultation, with consultation closing out on 21 May 2019 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0667 be issued to Consultation, closing on 21 May 2019?
0671 - New Capacity Exchange process at NTS exit points for capacity below baseline	Modification 0671 returned to Workgroup with a report presented by 15 August 2019 Panel - <i>majority vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	Should Modification 0671 be returned to Workgroup with a report presented by 15 August 2019 Panel?
0672 - Incentivise Product Class 4 Read Performance	Modification 0672 returned to Workgroup with a report presented by 18 July 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0672 be returned to Workgroup with a report presented by 18 July 2019 Panel?
0675S - Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow	Proceed to Consultation, with consultation closing out on 14 May 2019 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0675S be issued to Consultation, closing on 14 May?
	To be considered at Short Notice at 16 May 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0675S be considered at short notice at the 16 May 2019 Panel?

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		AG (EP)	DF	GJ	MB	RF	SM (EP)	DL	GD	HC	RP	TS	JCo	JA (MS)	EP	
<b>0684S - Amendment of the Data Permission Matrix to add Meter Asset Provider as a new User type</b>	Proceed to Consultation, with consultation closing out on 14 May 2019 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0684S be issued to Consultation, closing on 14 May?
	To be considered at Short Notice at 16 May 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0684S be considered at short notice at the 16 May 2019 Panel?
<b>0664 - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4</b>	Modification 0664 reporting date extended to 18 July 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0664 reporting date be extended to 18 July 2019 Panel?
<b>0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS</b>	Modification 0670R reporting date extended to 15 August 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0670R reporting date be extended to 15 August 2019 Panel?
<b>0682 - Market Participant MDD Migration to UNC Governance from the SPAA</b>	Modification 0664 reporting date extended to 20 June 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0682 reporting date be extended to 20 June 2019 Panel?
<b>0682 - Market Participant MDD Migration to UNC Governance from the SPAA</b>	Legal Text requestd - <i>unanimous vote if favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To Request Legal Text?
<b>0686 - Removal of the NTS Optional Commodity Rate with adequate notice</b>	Legal Text requestd - <i>unanimous vote if favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To Request Legal Text?
<b>0680S - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union</b>	Consideration of 0680S deferred - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consideration of 0680S be deferred?

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

## UNC Modification Panel

Minutes of the 241 Meeting held on Thursday 18 April 2019

at

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

### Attendees

#### Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representatives
D Fittock* (DF), Corona Energy G Jack (GJ), British Gas M Bellman (MB), Scottish Power R Fairholme (RF), Uniper	D Lond (DL), National Grid NTS G Dosanjh (GD), Cadent H Chapman* (HC), SGN R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks J Cooper* (JC), BUUK	E Proffitt (EP), MEUC and alternate for A Green and S Mulinganie

#### Non-Voting Members:

Chairperson	Ofgem Representative	Independent Supplier Representative
M Shurmer (MS), Chair	L King* (LK)	

#### Also in Attendance:

A Bates (AB), South Hook Gas; C Warner (CW), Cadent; D Hawkin (DH), TPA Solutions; E Rogers (ER), Xoserve; F Cottam\* (FC), Xoserve; G Evans\* (GE), WatersWye; R Fletcher (BF), Secretary; R Hailes (RH), Joint Office and S Britton\* (SBr), Cornwall Insight.

*\*by teleconference*

#### Record of Discussions

#### Introduction

MS welcomed all attendees to the meeting and then set out the order of business for the meeting.

MS welcomed Liam King as the new Ofgem representative and Guv Dosanjh as a new Transporter Panel Member.

#### **241.1 Note of any alternates attending meeting**

E Proffitt for A Green, Total and S Mulinganie, Gazprom  
G Jack for G Wood, British Gas  
M Shurmer for J Atherton, Citizens Advice (notified votes only)

#### **241.2 Record of Apologies for absence**

A Green, Total  
G Wood, British Gas  
J Atherton, Citizens Advice  
P Garner, Joint Office  
S Mulinganie, Gazprom

#### **241.3 Minutes and Actions of the Last Meeting(s)**

Following consideration of the 21 March minutes and proposed amendments by MB, Members then approved the minutes.

#### **241.4 Consider Urgent Modifications**

None presented.

#### **241.5 Consider New Non-Urgent Modifications**

##### **a) Modification 0685 - Amendment of the UNC term 'Gas Deficit Warning' to 'Gas Balancing Notification'**

DL introduced Modification 0685 and its aims, requesting the Modification be issued to consultation. It was noted that when used previously, the Gas Deficit Warning notice was wrongly interpreted due to its name, particularly by consumers and the press.

MB asked if the content of the notice is to change. DL advised that the content of the notice is to remain the same, only the title was proposed to change. RF asked if the name is referenced in licence. It was noted that there might be a non-material impact on licence, but this should not unduly impact the process and/or Modification.

MB asked if it was realistic to assume the wording triggered such an extreme response from the industry and press. DL advised that this was probably the nature of the notice title giving the wrong impression of what was being notified. EP felt the warning did work on 01 March 2018 as there were problems with interconnectors flowing and a market response was needed, however education the wider industry might be more of an issue.

MS asked LK for any Ofgem comments on whether this Modification would require a licence change and/or be called in by Ofgem for an Authority Decision.

LK noted that there is potential licence change and that the aspiration for implementation by 01 October might not be achievable as both processes would need to align. However, they were comfortable with Panel making progress on the Modification at this time.

RP felt that the two steps could be progressed together and that Self Governance does not seem to be appropriate in this situation as the Authority should coordinate approval and implementation for both.

DF noted that this Modification might impact references in Shipper contracts and time should be allowed for them to be considered and amended.

RP challenged why the Modification shouldn't be Self-Governance as it does not appear to be a material impact or issue. MS suggested that the Modification is trying to mitigate the risk of a material issue arising which therefore might arguably give justification for Authority Direction.

TS felt the impact on consumers not understanding the nature of the original warning notice might create the need for Authority Direction as this had been significant misunderstanding at the time.

GJ felt that perhaps the issues were leaning towards political rather than operational issues. MS noted the notice aims to stimulate a market reaction and in that sense had achieved its aim, but noted that the proposer was suggesting a more proportionate market response was needed in terms of wider understanding as to why the action was needed.

Members noted that it was proposed to issue this Modification straight to consultation.

For Modification 0685 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 likely to avoid a material impact on competition or consumers by mitigating risks of inappropriate actions and inaccurate reporting which might lead to misinformed consumers, by unanimous vote;
- It should be issued to consultation with a close out date of 21 May 2019; by unanimous Vote;
- To Request Legal Text, by unanimous Vote.

**b) Modification 0686 - Removal of the NTS Optional Commodity Rate with adequate notice**

DH introduced Modification 0686 and outlined its aims. It was noted that the Proposer had requested Urgent Procedures and that the Authority had rejected this request. DH advised that they were requesting that this Modification be issued straight to consultation as the issue was fully understood, had been discussed at length previously and so was unclear as to what role Workgroup assessment might play.

GJ was concerned that the Modification needs to be considered at Workgroup as it proposed the redistribution of revenues and these impacts along with other options have not been discussed in detail. There were

concerns around possible interactions with Modification 0678. In addition, it would prove difficult to implement ahead of Modification 0678 as it impacts the same sections of Code.

Some concerns were raised about the Modification ignoring other solutions contained in the Alternatives to Modification 0678 and that this might make implementation of this Modification or one of the Modification 0678 variations difficult to coordinate. It was noted, however, that Modification 0686 was not considered an Alternative to Modification 0678.

RF was concerned about the management of Legal Text should this and Modification 0678 be implemented. It also impacts the current Short Haul review.

GJ felt the Modification might benefit from a request for specific evidence to justify the need for this approach ahead of Modification 0678.

MS advised of the view provided by Joel Atherton (JA) Consumer Representative "that this Modification should proceed to a Workgroup for their assessment. I appreciate the argument made in the Modification for this to go straight to consultation, but do not consider that as substantial enough to break with usual procedures".

EP advised that he had been contacted by several larger Consumers that this Modification has a big impact on them with substantial extra costs. At least one consumer was considering constructing a new pipeline when in reality the aim should be to stop abuse of the process and not remove it.

RP noted that Ofgem rejected Urgency but did not say the Modification should be considered as an alternative to Modification 0678. The Modification might impact the baseline but this did not feature in Ofgem's response and therefore shouldn't be considered as an impact.

DL noted that the Modification targets one issue of compliance already included in Modification 0678 and therefore shouldn't be considered in isolation of Modification 0678. He was also concerned about the short notice amendment to the Modification as this could impact views on the options being considered.

LK requested Members to note that Ofgem had only addressed Urgency and no other aspects of the Modification or its potential impact on the Modification process or other Modifications.

DH clarified that this Modification is not proposing anything outside of Modification 0678 and would therefore have no implementation conflicts or create problems for the provision of Legal Text. In fact it could be argued that the Legal Text for this Modification could be extracted from the Legal Text provided for Modification 0678.

DH requested that Members note that the Authority in its decision letter for Modification 0621, had requested the industry to make arrangements for the removal of the NTS Optional Commodity Rate, this Modification complies with this request and provides more notice to do so. In addition, this Modification is a backstop position to ensure compliance with TAR Code and the supporting analysis provided is at least the equivalent to that included in Modification 0678 and better in some circumstances.

DL felt the issue highlighted in the Modification appear to advise that National Grid is at risk of non-compliance with TAR Code which is not correct as

measures are being undertaken to correct this position. DH noted that the NTS Optional Commodity Rate needs to be removed to maintain compliance and this Modification would provide more notice and compliance would be sooner.

DH noted that should Modification 0678 be delayed this issue would not be resolved quickly and therefore proceeding independently would mitigate some of the risks of non-compliance.

DH challenged the need for a Workgroup as the Modification is complete and requires no further development, the issues being addressed are widely understood and have been under discussion since Modifications 0621 and 0636 were raised the previous year. RF was concerned that the impacts were set out from a proposer point of view and not from a Workgroup perspective. DH referred to previous comments advising that this issue is well understood and being issued to Workgroup is creating an unnecessary and unneeded delay in the process.

MS noted that in the ordinary course of events a Modification would first be sent to Workgroup for assessment. He asked Joint Office to highlight Panel Guidance for a Workgroup's role and remit and RH put these up on screen for Panel's review.

DF noted that this Modification is likely to have a material impact and therefore following usual practice and good governance, it should be considered at Workgroup. Issuing Modifications straight to consultation should be a high hurdle to cross as the wider industry should be given time to consider and fully understand the proposals.

TS wanted to understand if industry costs would be impacted due to the assessment of Modification 0678 making assumptions which this Modification would change if implemented ahead of Modification 0678.

ER noted that if this Modification was implemented ahead of Modification 0678, it would need to be assessed from a systems perspective as it would be a similar approach to a phased implementation. DH challenged this as the industry understood that Ofgem had requested the charge be removed and overall it would be a minor impact on the approach required to implement Modification 0678.

For Modification 0686 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 likely to have a material impact the contractual arrangements between Transporters, Shippers and therefore impact competition, by unanimous vote;
- Not to proceed to consultation, by majority vote against;
- That Modification 0686 is issued to Workgroup 0686 with a Report presented to the 16 May Panel, by majority vote;
- To Request Legal Text, by unanimous vote.

**c) Modification 0687 - Clarification of Supplier of Last Resort Cost Recovery Process**

GE introduced Modification 0687 and outlined its aims. RP disagreed that there is confusion around recovery of charges as this is set out in miscellaneous section of the invoice. In addition, a DNO can only change their charges once each year in April, so October might prove to be a difficult implementation target.

TS felt the title is misleading and should be more descriptive of what is being proposed. GE agreed to consider the title and make amendments if needed.

RP confirmed market sector allocation is not currently in the methodology but was unsure if a licence change is required to allow this. In addition, market sector flag can sometimes prove to be an unreliable indicator.

GE advised that at the pre-modification briefing some charging managers were supportive of a separate charge and process realignment as this would provide clarity.

EP wanted to understand what made up the charges as they looked to be high, he wanted to see that there was no over-recovery of costs. RP clarified that the charges were claimed by the Supplier of Last Resort (SoLR) and approved by Ofgem. The Transporters then recover these costs from the industry and pays them to the SoLR.

GE confirmed from their initial assessment there were no licence impacts

Workgroup Questions:

- Confirm if there are licence impacts.

For Modification 0687 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 likely to impact contractual arrangements for transportation of gas, competition or consumers as it will redistribute SoLR costs, by unanimous vote;
- That Modification 0687 is issued to Workgroup 0687 with a Report presented to the 15 August Panel, by unanimous vote.

**d) Modification 0688 - Recovery of Shipper Losses incurred in Supplier of Last Resort events**

GE introduced Modification 0688 and its aims.

RP noted that all costs are going into one pot for a prescribed period of time. Does this mean Transportation and Energy costs would be treated the same way. GE agreed that was the intention as it did not seem efficient to separate them.

MB asked if the SoLR gains an advantage of double recovery. RP confirmed that this would not be the case as SoLR once appointed picks up the costs directly, this Modification addresses a narrow period of time prior to the SoLR being appointed.

DL was surprised that there would be no impacts on systems and processes. GE confirmed there is a process change but it should not impact systems.

MS provided views on behalf of Joel Atherton “that the statement in support of self-governance is not adequate, and the statement on the "relatively infrequent" use of this change is not supported by evidence. SoLR events in future periods are not easily predicted, as the last 12 months has made clear. I consider this a material change (not subject to self-governance)”.

For Modification 0688 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 likely to have a material impact on contractual arrangements between transporters and shippers, by unanimous vote;
- That Modification 0688 is issued to Workgroup 0688 with a Report presented to the 15 August Panel.

**e) Modification 0689 - Removing the requirement to support Invoice queries before the due date with information from the .AML file**

GE introduced Modification 0689 and its aims.

RP noted that the invoices are technically Transporter invoices and not CDSP/Xoserve invoices.

Workgroup Questions:

- Clarification required on the file type .AML or .AMS

For Modification 0689 Members determined:

- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are met as this Modification is unlikely to impact on the contractual arrangements for transportation of gas, competition or consumers, by unanimous vote;
- That Modification 0689S is issued to Workgroup 0689S with a Report presented to the 15 August Panel.

**f) Modification 0690 – Reduce qualifying period for Class 1**

FC introduced Modification 0690 and its aims.

MB asked if any of the sample categories in the examples have been in place more than 18 months. FC advised that some have been in place longer than the qualifying period, but this is being addressed by Xoserve and the PAFA.

TS asked why Class 2 are not included? FC noted the comment and agreed it should be discussed at Workgroup to confirm if the scope should be extended.

RP wanted to understand the potential impacts on sites that might keep crossing between Class 1 and Class 4. FC agreed but felt it more likely between Class 1 and Class 2 or 3.

Workgroup Questions:

- Should Class 2 be included within the scope of this Modification;
- Are there impacts due to repeat crossers between Class 1 and Class 4.

For Modification 0690 Members determined:

- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are met as this Modification is unlikely to impact contractual arrangements for transportation of gas, competition or consumers, by unanimous vote;
- That Modification 0690S is issued to Workgroup 0690S with a Report presented to the 15 August Panel, by unanimous vote.

**g) Modification 0691 – CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met**

FC introduced Modification 0691 and its aims.

LK requested the assessment of Shipper grace periods to confirm if Shippers should be incentivised to undertake the activity quicker.

Workgroup Questions:

- Shipper grace periods to be considered, should Shippers be incentivised to undertake the activity quicker.

For Modification 0691 Members determined:

- It is not related to the Significant Code Review by unanimous vote;
- The criteria for Self-Governance are met as this Modification is unlikely to impact competition or consumers, by unanimous vote;
- That Modification 0691S is issued to Workgroup 0691S with a Report presented to the 15 August Panel, by unanimous vote.

## **241.6 Existing Modifications for Reconsideration**

**a) Modification 0647 - Opening Class 1 reads to Competition**

RP asked Members to note that this Modification had been in development for some time. However, a number of issues had been and he was seeking views on the next steps for development.

RP advised that the issues were wide range and significant and he would be willing to withdraw the Modification and request the establishment of a wider subject review, alternatively the Modification could be retained and amended in line with the review recommendations.

ER noted that the Workgroup were content to work either way subject to Panel agreement.

RP noted that the overall size of the Class 1 DM portfolio is much smaller than prior to Nexus and one Transporters DM reading service provider

confirmed that they couldn't provide the same service to Shippers as they currently do to Transporters. These were issues that needed to be understood and other options considered.

In addition, implementation costs are excessive compared to the number of sites currently operating in Class 1 and this is impacting the options for full competition. Other options for consideration include the CDSP providing a DM Read service to Shippers.

MB suggested that a more wider review might attract a wider audience including new ideas and approaches, although it might be possible to complete the Modification sooner rather than later.

TS felt that the Workgroup were supportive of a new approach subject to the CDSP confirming they could provide the service.

RP confirmed that he would consider the comments received and decide on the most efficient approach going forward.

#### **241.7 Consider Workgroup Issues**

- a) None

#### **241.8 Workgroup Reports for Consideration**

- a) **Modification 0667 - Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC**

When considering the consultation window being impacted by Easter and May Bank Holidays, AB suggested that a June Panel decision would be a reasonable expectation in the current circumstances.

For Modification 0667, Members determined:

- It should be issued to consultation with a close out date of 21 May 2019, by unanimous vote.

- b) ***Modification 0671 - New Capacity Exchange process at NTS exit points for capacity below baseline***

It was noted that the Workgroup is requesting additional time and that this Modification should be deferred until the NTS business plan is available and therefore extended to August.

For Modification 0671, Members determined:

- It should be referred to Workgroup 0671 for further assessment, with a report by the 15 August 2019 Panel, by majority vote.

- c) **Modification 0672 - Incentivise Product Class 4 Read Performance**

MB noted that additional analysis has been provided by Xoserve and this

now need to be considered by Workgroup, in addition the proposer has been unable to attend recent meetings due to personal reasons.

It was noted that Legal Text was requested at the February meeting and due to an oversight, this had not been confirmed to the Transporter. The Code Administrator is to send a request for Legal Text to the Transporter to commence the process.

For Modification 0672, Members determined:

- It should be referred to Workgroup 0672 for further assessment, with a report by the 18 July 2019 Panel, by unanimous vote.

**d) *Modification 0675S - Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow***

Members noted the content of the Workgroup Report.

DL noted that there is a consequence in delaying this Modification, therefore it would be appropriate for Panel to take the Modification at Short Notice at the 16 May Panel.

For Modification 0675S, Members determined:

- It should be issued to consultation with a close out date of 14 May 2019, by unanimous vote;
- To be considered at Short Notice at 16 May 2019 Panel, by unanimous vote – subject to consultation responses being supportive of implementation.

**e) *Modification 0684S - Amendment of the Data Permission Matrix to add Meter Asset Provider as a new User type***

Members noted the content of the Workgroup Report.

ER noted that there is a consequence in delaying this Modification and therefore requested Panel to take the Modification at Short Notice at the 16 May Panel

For Modification 0684S, Members determined:

- It should be issued to consultation with a close out date of 14 May 2019, by unanimous vote;
- To be considered at Short Notice at 16 May 2019 Panel, by unanimous vote – subject to consultation responses being supportive of implementation.

## **241.9 Consideration of Workgroup Reporting Dates and Legal Text Requests**

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

<b>Workgroup</b>	<b>New Reporting Date</b>
0664 - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4	18 July 2019
0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS	15 August 2019
0682 - Market Participant MDD Migration to UNC Governance from the SPAA	20 June 2019

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

<b>Modification</b>
0682 - Market Participant MDD Migration to UNC Governance from the SPAA
0686 - Removal of the NTS Optional Commodity Rate with adequate notice

#### **241.10 Consider Variation Requests**

None discussed.

#### **241.11 Final Modification Reports**

##### **a) Modification 0680S - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union**

DL advised that due the uncertainties around BREXIT he was requesting Panel to defer consideration of the Final Modification Report until there was more certainty on a potential date for a no deal scenario implementation.

LK advised that Ofgem were keeping this and other industry related modifications under review with an aim of seeing them implemented on a date nearer to BREXIT. Licence changes are being kept under review and will be made in a similar timeframe.

Member then determined:

- That consideration of the Final Modification Report should be deferred until the 16 May 2019 Panel.

#### **241.12 AOB**

##### **a) Modification 0678 update**

RH provided an update on the progress made to date and the next steps in terms of consultation commencement and concluding the Modification

Reports. The Draft Modification Report includes 11 modifications and consultation commenced on 15 April and runs until 08 May. The Final Modification Report is to be considered at the 23<sup>rd</sup> May extraordinary Panel which has been arranged specifically for these Modifications.

**b) Response to email received by Panel**

MS provided an update on the recent exchange of correspondence with a party concerning the activities to meet TAR Code compliance and development of Modification 0678.

Members discussed the content of the emails and the retraction set out in the email dated 25 March 2019. MS provide a view of the letter he intended to send to the party concerned which should bring the matter to a close. Members were supportive of the approach by MS.

DF noted that the communications appeared to be critical of the process and not the individuals involved. However, good governance requires the process is followed until it is changed.

Members requested that a copy of the response is sent to the parties copied into the original email so that they are aware the issue has been dealt with and the matter closed.

MS asked if Members were supportive of the emails being published together on the Joint Office website. This was agreed as the favoured option for publication given that the original email had already been published on the Joint Office Website and that the subsequent correspondence should therefore also be published on the Panel meeting pages. It was noted that other copies of the correspondence chain should be removed from other pages on the website with a note highlighting where the correspondence had been moved too.

MS confirmed that from his perspective this matter is now closed.

Members agreed that in future, emails and correspondence of this type should be discussed at Panel prior to being published on the Joint Office website to ensure a consistent approach.

**c) Code Governance Reform**

LK advised that the previously notified consultation concerning the Code Governance review is to be delayed from May until the Summer and further updates are likely to be provided at a future meeting.

**d) Review of Supplier Licences**

LK advised the Supply licence consultation review was published the previous week for comments. He asked Members to note that the scope of this review is much wider than the Supplier Licence as it will impact all licensees that are related to the supply of gas.

**241.13 Date of Next Meeting**

- 10:30, Thursday 16 May 2019, at Elexon.
- 10.30, Thursday 23 May 2019, at Elexon  
(Final Modification Report 0678 only)

**Action Table (18 April 2019)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>PAN 01/04</b>	18/04/19				<b>Pending</b>