

Uniform Network Code Committee

Minutes of the 65th Meeting Held on Thursday 19 August 2010

Members Present:

Transporter Representatives: C Shanley (National Grid NTS), A Raper (National Grid Distribution), J Ferguson (Northern Gas Networks), J Martin (Scotia Gas Networks) and S Trivella (Wales & West Utilities)

User Representatives: A Bal (Shell), C Wright (British Gas Trading), P Broom (GDF Suez), S Leedham (EDF Energy) and S Rouse (Statoil)

Ofgem Representative: J Dixon

Joint Office: T Davis (Chair) and B Fletcher (Secretary)

Observers Present: A Miller (xoserve) by teleconference, R Hall (Consumer Focus), C Cameron (Ofgem), Gareth Evans (Waters Wye), R Healey (RWE Npower) and R Fairholme (E.ON UK)

65.1 Note of any alternates attending meeting

C Shanley for R Hewitt (National Grid NTS), A Raper for C Warner (National Grid Distribution) and J Martin for A Gibson (Scotia Gas Networks)

65.2 Record of Invitees to the meeting

None

65.3 Record of apologies for absence

R Hewitt, C Warner and A Gibson

65.4 Monthly Reports from Sub-Committees

65.5 Matters of Implementation

a) UKLink Committee: Implementation Plan Approval (UNC0224)

S Trivella explained that the Transporters were aiming to implement Modification 0224, Facilitating the use of AMR in the Daily Metered Elective Regime, on 21 November 2010. This could only be achieved if the implementation approach developed by xoserve was adopted. As for other modifications which require changes to xoserve systems, xoserve's implementation plan had been put to the UKLink Committee for approval. Approval had not, however, been obtained, with UKLink Committee Members unable to agree the best way forward. S Trivella felt the issues raised by Users who objected to the implementation plan at the UKLink Committee were minor compared to the benefits offered should the implementation continue to plan. The Transporters were therefore seeking the UNCC's approval for the Modification to be implemented on 21 November, which would require xoserve's implementation plan to be adopted.

S Leedham advised that EDF do not consider the implementation plan meets

the requirements of the legal text and therefore the Modification should not be implemented based on the proposed plan. S Trivella was of the opinion that the implementation plan should not stop because of the concerns raised, which related to the interpretation of one aspect of the Modification. The industry has time to agree a solution after implementation, although it is likely a further Modification Proposal will need to be implemented should a change of approach be required. This could be achieved prior to any material impacts on Users being seen.

P Broom was happy with the Transporter's suggested process subject to agreeing it would represent a baseline and committing to developing potential solutions for a second implementation phase 2 where required. S Trivella supported this but emphasised that subsequent change would be subject to the modification process.

The UNCC members then determined by PANEL MAJORITY to approve the Modification 0224 being implemented on 21 November in line with the xoserve implementation plan with the following nine members voting in favour: A Bal, P Broom, S Leedham, S Rouse, C Shanley, A Raper, J Ferguson, J Martin and S Trivella.

b) Draft AUGÉ Tender Evaluation Criteria

ACTION UNC001: Develop AUGÉ terms of reference which sets the criteria for issuing an invitation to tender for potential AUGÉ's

Update: See below. **Completed**

The Committee noted that draft AUGÉ tender evaluation criteria had been submitted for the Committee's approval. This had been received shortly after the agenda had been issued, and was therefore added as a short notice business item.

Some members suggested more time was needed to allow for proper consideration of the criteria. This reflected the absence of key individuals due to the summer holidays, but also the fact that this was the first time the criteria were being used, and the importance of ensuring the industry had been able to consider their implications prior to their adoption. ST suggested an additional UNCC meeting could be arranged to discuss the criteria but asked for comments to be provided before the meeting.

SL said he was concerned about the appropriateness of some of the weighting of the criteria in the draft evaluation. GE supported this and suggested, for example, that it was unclear why parties who have not been in business for 3 years should be prevented from bidding.

AM advised it is usual to weight 30% on commercial terms, and one aim of the criteria is to ensure the business employed lasts the term of the contract. SL suggested this weighting should be reconsidered, and that independence and impartiality should be considered separately rather than as part of the commercial element.

GE was of the opinion that most aspects can be scored/weighted. However independence/impartiality is either yes or no. AB agreed that, rather than being given a weight, independence should mean the party is either included

or excluded from the tender process. AM advised that independence is listed in the criteria to ensure those who are unsuitable and cannot demonstrate independence/impartiality are likely to be excluded at an early stage.

SL asked how techniques put forward by bidders are going to be assessed and scored. AR felt the intention was to get an overview of the party's skills and knowledge. AB thought this should be more a case of understanding their skills and knowledge to undertake the task concerned rather than an assessment of how they anticipated addressing it.

GE questioned the relevance of including team structure and management in the criteria – what is gained and what it does this add to the process if an organogram is provided? AM stated this was to ensure the party can manage the requirements of the industry in the timescales set out in the UNC.

SL asked if the draft criteria would form the tender invitation. AM advised that they are one and the same and hence they need to be aligned.

TD asked what are the next steps? AM advised that comments on the criteria are required as soon as possible to enable the Transporters to move forward with the tender invitation as planned. PB did not believe the process of finalising and issuing the tender invitation should stop while this document is reviewed and agreed: why can't the tender be issued before the evaluation criteria are finalised and approved? AM was concerned that both need to be known to ensure there is no criticism of the process by respondents to the invitation, and pointed out that the AUGE Guidelines indicate that the evaluation criteria should form part of the tender invitation. However, others suggested that this did not mean the full detail and weightings needed to be agreed and included in the tender invitation.

It was agreed that the Committee should meet again by teleconference on 7 September with a view to approving the evaluation criteria. In support of this, all were asked to provide written comments by 27 August which would allow time for all to see the comments provided by others, and for the Transporters to prepare revised criteria for publication ahead of the meeting.

Action UNC004: All to provide comments on the draft evaluation criteria by 27 August 2010. *(To be sent to the Joint Office for publication at www.gasgovernance.co.uk/uncc/070910.)*

Action UNC005: Transporters to publish revised draft AUGE evaluation criteria ahead of UNCC meeting on 7 September.

65.6 Any Other Business

ACTION UNC003: National Grid Distribution to provide their understanding of the legal text implemented for UNC0229.

Update: T Davis asked if there were any comments on the legal text update provided by National Grid Distribution. A Raper confirmed that the legal drafting for UNC0313 should help to resolve any ambiguity surrounding the text for UNC0229. **COMPLETED**

65.7 Next Meeting

The Committee noted the date and time of the next meetings as:

Tuesday 7 September 2010 at 1.00pm by teleconference.

Thursday 16 September 2010, immediately after the Modification Panel meeting.

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
UNCC001	17/06/10	63.6	Develop AUGE terms of reference which sets the criteria for issuing an invitation to tender for potential AUGE's	National Grid Distribution (CWa)	Completed
UNCC003	15/07/10	64.6	Provide their understanding of the legal text implemented for UNC0229.	National Grid Distribution (AR)	Completed
UNC004	19/08/10	65.5	Provide comments on the draft evaluation criteria.	All	Comments to be provided to JO by 27 August
UNC005	19/08/10	65.5	Publish revised draft AUGE evaluation criteria	Transporters	To be published ahead of 07 September meeting