

Uniform Network Code Committee

Minutes of the 66th Meeting Held on Tuesday 07 September 2010

by Teleconference

Members Present:

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

User Representatives: C Wright (British Gas Trading) and S Leedham (EDF Energy)

Ofgem Representative: J Dixon

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

Observers Present: A Miller (xoserve), Gareth Evans (Waters Wye) and Graham Frankland (xoserve)

66.1 Note of any alternates attending meeting

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

66.2 Record of Invitees to the meeting

None

66.3 Record of apologies for absence

A Gibson, A Bal, R Hall (Consumer Focus), R Hewitt and S Rouse

66.4 Matters of Implementation

AUGE Tender Evaluation Criteria

Action UNC004: Shippers to provide comments on the criteria by 27 August 2010. Comments to be sent to Joint Office for publication.

Action Update: Comments provided. **Completed.**

Action UNC005: Publish revised draft AUGE evaluation criteria.

Action Update: Revised document provided. **Completed.**

T Davis asked C Warner to explain the revised AUGE evaluation criteria. C Warner explained the amendments to the document, which incorporated Shipper comments. He highlighted the timeline and his aspiration to take the process forward in a timely manner.

C Warner explained a number of issues raised by Shippers including the elements of the tender costs and how the Transporters did not wish to remove parties from the evaluation process on cost alone. He explained how Transporters had also included a financial stability section to ensure the

successful party is credit worthy and will be expected to last the term of the contract.

G Evans asked suggested putting the specific weighting issues to one side and agreeing what is required for the tender document. S Trivella suggested weighting information, at least at a high-level, should be in the criteria. He added Transporters and xoserve use a standard approach, though they are not wedded to the values as they stand, but they need to be there to ensure the process is consistent. S Leedham stated that he would prefer to set the process in motion and then evaluate respondents he would be concerned if there was a machine-like process that has very little consideration of the specific responses.

G Frankland explained the proposed process to be adopted for weighting and sought views on how it should be apportioned for the final score – it appears that technical competence is the main requirement from a Shipper perspective? S Trivella agreed in part but wished to get agreement to the criteria to ensure the process moves forward –concerns on weighting apportionment should not delay the process.

G Frankland explained that xoserve tends to adopt 60% technical and 40% commercial weightings for their evaluation process. S Leedham thought it could be desirable to have a 70%/30% split due to the materiality of the values the AUGGE is expected to evaluate. He also suggested contract costs be considered based on contract lifetime rather than 1st year costs. This was supported and Members agreed knowledge/skills/capability should be weighted at 70% and the remainder 30%.

G Evans emphasised that he did not want the weightings published, in order to ensure respondents do not target their responses based on the weighting. A Miller advised that weighting at a high-level would be notified to ensure parties know how to respond to the tender. S Leedham did not agree, as parties should be able to respond based on their competence and understanding of the topic, not what gives them the best evaluation weighted score.

The UNCC agreed that the weighting column should be removed from the tender document only.

S Leedham did not think it was appropriate to automatically exclude parties with less than 3 years trading experience. Members agreed that the financial criteria should be amended to ensure parties who can demonstrate their credit worthiness are not excluded.

The 7 voting members then determined UNANIMOUSLY to approve the AUGGE Tender Evaluation Criteria as refined during the meeting. These will be circulated to Members but will not be published on the Joint Office website.

66.5 Any Other Business

None raised.

66.6 Next Meeting

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

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

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
UNC004	19/08/10	65.5	Provide comments on the criteria by 27 August 2010. Comments to be sent to Joint Office for publication.	Shippers	Completed
UNC005	19/08/10	65.5	Publish revised draft AUGE evaluation criteria.	Transporters (CW)	Completed