

UNC Governance Workgroup Minutes
Friday 06 November 2015
31 Homer Road, Solihull B91 3LT

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alex Ross Shaw	(ARS)	Northern Gas Networks
Andy Miller	(AM)	Xoserve
Angela Love*	(AL)	ScottishPower
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Colin Blair*	(CBI)	ScottishPower
Edd Hunter	(EH)	RWE npower
Erika Melen	(EM)	Scotia Gas Networks
Phil Lucas	(PL)	National Grid NTS
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	Gazprom
Sue Hilbourne*	(SH)	Scotia Gas Networks

*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/gov/061115>

1.0 Introduction and Status Review**1.1. Minutes (20 October 2015)**

The minutes from the previous meeting were approved.

1.2. Pre Modification discussions**1.2.1 UNC Modification Stakeholder Engagement and Guidelines**

EM outlined the background to the draft proposal. Recently Panel has been presented with some under-developed modifications that have not clearly demonstrated that it is a valid code matter and what the direct or indirect impacts on parties are. This has in the past resulted in lengthy Workgroup discussions and more recently, Panel deferring decision on two modifications (hence adding to the already significant timescales).

It was EM's belief that having a formal process in place to encourage pre-modification engagement with relevant industry parties would greatly benefit the timely assessment and progression of potential modifications and lead to a more efficient process and use of industry time. No existing rights would be eroded by this proposal.

It was therefore proposed to create additional industry guidance prior to and during the modification raising process, and to offer additional time to allow for 'critical friend' activities to take place, also to formalise UNC Modification Panel powers in order to request further development of a modification by the Proposer prior to sending for Workgroup assessment. (The Panel would not have the power to reject modifications outright, only to refer them back to the Proposer for further development before progression in the normal way.)

The proposed Solution was discussed, making reference to the draft modification proposal provided for the Workgroup. SM queried how a party might evidence 'pre-engagement', as making use of the Joint Office (JO) as 'critical friend' is optional. LJ pointed out that 'pre-engagement' also includes early discussions with the Transporters and Xoserve or other Shippers if appropriate, not just the JO.

SM also expressed concerns regarding the UNC Modification Panel Secretary having the power to reject a proposal prior to the UNC Modification Panel having sight, believing the test to be too subjective. He did not favour the ability of a third party to block/obstruct a proposal. EM commented that this proposal was to be seen as complementary to the Code Governance Review and has been discussed with Ofgem.

Various scenarios under the existing arrangements, where it would have been more beneficial/efficient for all parties had use been made of a pre-engagement phase prior to formal submission of a proposal, were discussed. SM agreed that a proposal should be made as 'good' as possible before formal submission, but was not comfortable with a formal rejection mechanism in advance of consideration by the UNC Modification Panel.

AL suggested the appointment of a specific Xoserve contact might be helpful. AM pointed out this could only happen once the specific details of a proposal were understood to then enable the assignment of an appropriately knowledgeable contact.

Reference was made to the current ability of the UNC Modification Panel to exercise its discretion in considering items at 'short notice' which could become more critical, and it was suggested that a more narrowly defined interpretation of 'short notice' might be required to prevent misuse of that potential route for undeveloped proposals.

CB explained how the iGT Modification Panel managed similar positions; on first consideration the Panel had the power to request the Proposer to take the proposal away and do further work to develop it or to withdraw it. Following consideration on its return to Panel, it must either be sent to a Workgroup or out to consultation (the Panel does not have the right to reject it entirely). This seemed a sensible approach.

It was agreed that the associated document 'UNC Modification Proposals - Guidance for Proposers' could be reviewed once a Workgroup had been established.

Next Steps

EM noted the suggestions and comments and indicated that the proposal would be appropriately revised to take account of the views expressed in this pre-modification discussion.

The modification will then be formally submitted to the November UNC Modification Panel for its consideration.

2.0 Workgroups

2.1. 0550 – Project Nexus: Incentivising Central Project Delivery

The Workgroup Report is due to Panel on 21 January 2016.

The minutes of this meeting are available at: www.gasgovernance.co.uk/0550/061115.

3.0 Issues

None raised.

4.0 Any Other Business

None raised.

5.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
10:00, Friday 04 December 2015	31 Homer Road, Solihull B91 3LT	<ul style="list-style-type: none">• <i>Including Workgroup 0550 - Development of modification</i>
10:00, Monday 14 December 2015	31 Homer Road, Solihull B91 3LT	<ul style="list-style-type: none">• <i>Including Workgroup 0550 - Development of modification</i>
10:00, Wednesday 13 January 2016	To be confirmed	<ul style="list-style-type: none">• <i>Including Workgroup 0550 - Completion of Workgroup Report</i>