

Uniform Network Code Committee

Minutes of the 111th Meeting held on Tuesday 03 September 2013

By Teleconference

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representative
A Green (AG), Total A Love (AL), ScottishPower G Wood (GW), British Gas S Mulinganie (SM), Gazprom	A Ross-Shaw (AR), Northern Gas Networks C Warner (CWa), National Grid Distribution John Edwards (JF), Wales & West Utilities	

Non-Voting Members:

Chairman	Ofgem Representative
T Davis (TD), Joint Office	J Dixon (JD), Ofgem

Also in Attendance:

A Miller (AM), Xoserve; A Love (AL), ScottishPower; C Whitehand (CWh), GL Noble Denton; M Bagnall (MB), British Gas; M Couch (MCo), RWE npower; M Jones (MJ), SSE; N Anderson (NA), EDF Energy; N Cole (NC), Xoserve; R Fletcher (RF), Secretary; S Tierney (ST) Scottish Power and T Perchard (TP), GL Noble Denton.

111.1 Note of any alternates attending meeting

A Love for R Fairholme (E.ON UK)
A Ross-Shaw for J Ferguson (Northern Gas Networks)
G Wood for C Wright (British Gas)
J Edwards for S Edwards (Wales & West Utilities)
S Mulinganie for A Barnes (Gazprom)

111.2 Apologies for Absence

A Barnes, A Musgrave, C Wright, J Ferguson, R Fairholme and S Edwards.

Consideration of proposed Allocation of Unidentified Gas Statement

At the opening of the meeting, TD noted that the requirements for a quorate meeting had not been met, with only one Transporter and two Shipper votes available (6 voting Members are required, with a minimum of 2 Transporters and 2 Shippers). The meeting was therefore adjourned until 11:00. Following the adjournment, the meeting was quorate.

TD noted the process in UNC E10.4 requires the UNCC to decide upon, adopt and publish the AUG Methodology. AG was concerned that he was not aware that this meeting was to vote to either approve or disapprove the proposed methodology and thought its purpose was to review responses, the methodology and next steps. SM agreed with this position. GW felt that it was clearly signalled in the AUGC communications that the purpose of this meeting is to vote on the methodology as set out in the guidelines, so that the table could be populated and values identified.

TD noted that it would have been helpful if a paper had been circulated prior to the meeting setting out what was required of the committee and what they would be asked to vote on. CWh confirmed that, should the methodology be approved, the AUGC would then prepare the final AUGS for publication by the UNCC.

TD explained that the UNC requirement for the committee is to consider proposed changes to the AUG methodology and whether the proposed changes further the relevant objectives.

There was a general discussion about the requirements for approving or disapproving the methodology. Some considered that, contrary to TD's advice, a unanimous vote against was required, as stated in the guidelines. TD emphasised that the UNC takes precedence over the Guidelines, and that the UNC only includes a specific requirement for a unanimous vote in one respect - Section E 10.4.3 (h) – which is with respect to the AUGC Table as opposed to the methodology.

ST expressed a grave concern that in 22 years of experience in the energy industry he had never known a meeting like this, where there was no clarity regarding what was expected and a failure to attend by many of those who were required to take actions regarding such an important issue.

JD offered to obtain a legal opinion from Ofgem lawyers regarding the appropriate interpretation of the UNC and associated Guidelines, and whether the indication of a unanimous vote requirement in the Guidelines should apply despite this not being specified in the UNC. If any vote at the present meeting was subsequently proved to have been taken under a misunderstanding, this could then potentially be rectified at the subsequent

UNCC meeting, by when a legal opinion would have been obtained. It was recognised, however, that the outcome would be the same unless there was a majority vote against approving the proposed methodology.

Members then voted whether or not to approve the AUGE proposed methodology. This was approved by **majority vote** with 5 votes in favour and 2 abstentions, and hence the UNCC agreed to adopt and publish the AUG Methodology as proposed by the AUGE.

AL advised that SP were considering raising a modification seeking to review the process, covering the Guidelines and UNC with a view to removing any conflicts or ambiguity in the process.

CWh advised that the AUGE's next steps would be as stated in the Guidelines: "the AUGE will produce the indicative Unidentified Gas volumes in a format consistent with the UNC requirements, and send them to the Gas Transporters for inclusion in the AUG Table for AUG Year by the 1st October", "The AUGE will provide the final Unidentified Gas volumes and rates to the Gas Transporters by the 1st January."

CWh further advised that the query window has opened for issues to be considered with regard to next year's methodology.

111.3 Any Other Business

None raised.

111.4 Next Meeting

Thursday 19 September 2013, at the ENA, immediately after the Modification Panel meeting.