

Uniform Network Code Committee

**Minutes of the 114th Meeting held on Thursday 21 November 2013
at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF**

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives
A Green (AGr), Total C Wright (CWr), British Gas G Evans (GE), WatersWye P Broom (PB), GDF Suez R Fairholme (RF), E.ON UK	A Ross-Shaw (ARS), Northern Gas Networks C Warner (CWa), National Grid Distribution E Melen (EM), Scotia Gas Networks J Edwards (JE), Wales & West Utilities R Hewitt (RH), National Grid NTS

Non-Voting Members:

Chairman	Ofgem Representative	Consumer Representative
T Davis (TD), Joint Office	A Rooney (AR), Ofgem	K Elliott-Smith (KES), Consumer Focus

Also in Attendance:

A Gordon* (AGo), GL Noble Denton; A Miller (AM), Xoserve; A Raper (ARa), National Grid Distribution; C Baldwin (CB), E.ON UK;
C Whitehand (CWh), GL Noble Denton; F Cottam (FC), Xoserve; G Jago* (GJ), RWE npower; L Jenkins (LJ), National Grid NTS;
M Bagnall* (MB), British Gas; R Cameron-Higgs* (RCH), First Utility; R Fletcher (RF), Secretary and S Pearce* (SP), RWE npower.

** By Teleconference*

114.1 Note of any alternates attending meeting

A Ross-Shaw for J Ferguson (Northern Gas Networks)
E Melen for A Musgrave (Scotia Gas Networks)
G Evans for A Barnes (Gazprom)
J Edwards for S Edwards (Wales & West Utilities)

114.2 Apologies for Absence

A Barnes, A Musgrave, J Ferguson and S Edwards.

114.3 Minutes and Actions from the previous meeting

The Minutes from the previous meeting were approved.

114.4 Matters of Implementation

None raised.

114.5 Approve revised AUG Guidelines

SP advised that they had requested that this item be withdrawn as they wished to discuss the changes at a more inclusive forum and take note of a number of suggested changes received from other parties.

114.6 Clarification required on interaction of UNC and Guidelines

FC provided a presentation on a number of issues and conflicts identified between the AUG Guidelines and UNC.

PB felt that the process should include a cut off to allow the values to developed and then confirmed by the AUG, so that a line can be drawn under the process.

GE wanted to know why a material change can't be accommodated if it has been identified, in the same way that flexibility had been adopted in previous years.

TD confirmed that strict adherence had been made to the UNC requirements in previous years with only the requirements in the Guidelines being flexed.

CWr questioned the query process cut off, that only when the table and AUGS have published do you have an opportunity to compare both, which may generate a query that is material and should be considered.

There was a general view amongst Transporters that the UNC takes precedence over the Guidelines. However, it would be down to individual parties to seek their own legal advice on the contract position.

GE wanted to know what Xoserve was seeking by way of a UNCC vote - would the Transporters change their interpretation of the UNC if the UNCC voted, for example, that the Guidelines should take precedence or that the UNC should be interpreted in a particular way. TD asked Transporters if they wished this to be subject to a vote. AR confirmed this was not being requested – the Transporters would follow the UNC over the Guidelines if

there were a conflict as this was their view on precedence.

CWh noted that the Guidelines allows changes to the Statement at this Query stage but the UNC does not reflect this– it would be useful to understand the reasons why the Guidelines allow changes, and whether this intent has been inadvertently missed in the UNC.

GE felt the process would allow the AUGÉ and the industry to continue an open debate about the AUGS so that the industry would have confidence in the approach.

TD asked if the cut off point, which all agree is necessary, is in the wrong place. GE felt it probably was.

CB asked if anyone was likely to raise a review of the process so that any concerns could be discussed by the industry. SP confirmed they would like to discuss the process further in an appropriate industry forum.

114.7 AUGS Process Update

a) AUGÉ's response to Queries on the AUGS

CWh presented the recent queries raised by parties and the AUGÉ responses to those queries. In addition, he presented an amended AUGS for publication should the UNCC not disapprove his request.

ICoSS Query 1 - Modification 410A introduces improvements to handling of unregistered sites and better control of the MPRN creation process

- CWA asked why the “under 12 months old sites” were materially impacted when the modification impacts sites over 12 months. CWh explained that it would impact the under 12 months old pot as it is likely to be reduced based on the implications for over 12 months sites, with changes in behaviour incentivised by the modification.

MB asked for clarity that if the statement is amended, the methodology won't be, so charges won't be amended for the next AUG year. This was confirmed as correct, notwithstanding the materiality of any error. CWh asked members to note the issue would not be ignored, it would be included in the calculations for the following year.

MB disagreed with the interpretation of the UNC by Transporters as he felt that the UNCC approval process is an iterative approach based on the various steps and documents published by the AUGÉ. Transporters confirmed that they would continue to follow the process as in previous years by applying the UNC.

TD noted that he presumed the AUGÉ would follow their contract and continue to amend the Statement in line with the Guidelines. The Transporters then have to consider the implications for their UNC obligations. If parties want to see the UNC obligations changed, the opportunity exists to raise a modification.

In accordance with 8.7 of the AUG Guidelines, for ICoSS Query 1, Members endorsed the approach proposed by the AUGÉ - Query classed under 8.5 as “Material and can be implemented for final AUG table”.

ICoSS Query 2 - Modification 0431S and SPA MAM 13/002

In accordance with 8.7 of the AUG Guidelines, for ICoSS Query 2, Members endorsed the approach proposed by the AUG - Query classed under 8.4(a) as “Requiring no action”.

ICoSS Query 3 - Modification 0424 – re-establishment of Supply Points

In accordance with 8.7 of the AUG Guidelines, for ICoSS Query 3, Members endorsed the approach proposed by the AUG - Query classed under 8.4(a) as “Requiring no action”.

ICoSS Query 4 – Impact of Data Quality

In accordance with 8.7 of the AUG Guidelines, for ICoSS Query 4, Members endorsed the approach proposed by the AUG - Query classed under 8.4(a) as “Requiring no action”.

British Gas Query 1 – Allocation Issue

In accordance with 8.7 of the AUG Guidelines, for British Gas Query 1, Members endorsed the approach proposed by the AUG - Nearest classification is under 8.5 “Material change that can be implemented for final gas volumes and rates” – it does not require a change to the AUGS.

British Gas Query 2 – Calculation of the forward estimate of UG

In accordance with 8.7 of the AUG Guidelines, for British Gas Query 2, Members endorsed the approach proposed by the AUG - Query classified as “8.4(b) requires a change to the AUGS but does not have material impact on volumes/rates”.

British Gas Query 3 - Concerns the suspected erroneous inclusion of large sites in Unregistered / Shipperless UG calculations

In accordance with 8.7 of the AUG Guidelines, for British Gas Query 3, Members endorsed the approach proposed by the AUG - Query classed under 8.4(a) as “Requiring no action”.

British Gas Query 4 - Concerns exclusion of large sites >58GWh pa when producing AQ scaling factors for shipperless/unregistered sites

In accordance with 8.7 of the AUG Guidelines, for British Gas Query 4, Members endorsed the approach proposed by the AUG - Query classed under 8.4(a) as “Requiring no action”.

British Gas Query 5 - Concerns CSEP consumption not being adjusted for sites with AQ>1 not consuming, resulting in under-estimate of UG

In accordance with 8.7 of the AUG Guidelines, for British Gas Query 5, Members endorsed the approach proposed by the AUG - Query classed under 8.4(a) as “Requiring no action”.

CWh noted that they would be reviewing the additional British Gas queries recently received and these would be presented to the UNCC at a future meeting. He advised

that they were still on target to publish the amended AUGS and Table in January.

RF questioned whether the UNCC is technically the correct forum to review queries and the AUGS process – should there be a sub group for this process. PB was in favour of the process as it stands and felt it added transparency to the process.

TD confirmed that the UNCC could establish a sub-committee if it was considered to be more efficient to do so.

114.8 Any Other Business

None raised

114.9 Next Meeting

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