

**UNC Modification Panel
Minutes of Meeting 262 held on
Thursday 20 August 2020
via teleconference**

Attendees

Voting Panel Members:

Shipper Representatives	Transporter Representatives	Consumer Representatives
A Green (AG), Total Gas & Power D Fittock (DF), Corona Energy M Bellman (MB), ScottishPower M Jones (MJ), SSE R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom and alternate for A Green	A Travell (AT), BUUK D Lond (DL), National Grid NTS D Mitchell (DM), SGN G Dosanjh (GD), Cadent R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks	L Snoxell, Citizens Advice N Bradbury, EIUG

Non-Voting Panel Members:

Chairperson	Ofgem Representative	Independent Supplier Representative
W Goldwag (WG), Chair	L King (LK)	(None)

Also, in Attendance:

A Raper (AR), Joint Office
B Fletcher (BF), Panel Secretary
E Rogers (ER), Xoserve - CDSP Representative
F Mathieson (FM), Electralink
K Elleman (KE), Joint Office
K Jones (KJ), Joint Office
P Garner (PG), Joint Office
R Kealley (RK), British Gas
S Britton (SB), Cornwall Insight

Record of Discussions

262.1. Introduction

The UNC Modification Panel Chair (WG) welcomed all attendees.

262.2. Note of any alternates attending meeting

David Mitchell for Hilary Chapman

262.3. Record of apologies for absence

A Jackson - Gemserv

H Chapman - SGN

R Hailes - Joint Office

262.4. Minutes of the last meetings (16 July 2020)

Panel Members approved the minutes from the 16 July 2020 subject to an amendment of the voting record.

Darren Lond (DL) pointed out an error in the voting record in relation to the preference vote for Modification 0716. The record states that David Mitchell(DM) voted a preference for both 0716 and 0716A and Lauren Snoxell(LS) had no preference for either Modification. The record should have stated that DM had a preference for Modification 0716A and LS for Modification 0716.

262.5. Review of Outstanding Action(s)

Action PAN 04/11: Agenda Item 250.11 Code Administrator (JO) to draft a straw person template/dashboard showing Management Information for Modifications in flight for Panel to consider in January 2020.

Update: Penny Garner (PG) confirmed that an update is expected in October 2020.

Carried Forward to October

Action PAN 01/07: Agenda Item 261.13c Joint Office (PG/AR) to provide a report to the UNC Modification Panel on the evolution of the voting process and the voting options for discussion at the August Panel meeting.

Update: This action was covered under agenda item 262.14 (a).

Closed

262.6. Consider Urgent Modifications

a) Modification 0722 (Urgent) - Allow Users to submit Estimated Meter Reading during COVID-19

Panel Members noted the final report provided for information in respect of the topics of urgent Modifications 0722, 0723 and 0724.

The Panel Chair asked Panel Members if any further information is required from Workgroups or Committees.

- Panel Members agreed that Urgent Modifications 0722, 0723 and

0724 should continue to be discussed within Distribution Workgroup and escalated as required to the Performance Assurance Committee.

- Panel Members agreed that no further reporting to Panel is required.

b) Modification 0723 (Urgent) - Use of the Isolation Flag to identify sites with abnormal load reduction during COVID-19 period

Discussed as part of agenda item 262.6 a).

c) Modification 0724 (Urgent) - Amendment to Ratchet charges during COVID-19 period

Discussed as part of agenda item 262.6 a).

d) Modification 0726 (Urgent) - COVID-19 Liquidity Relief Scheme

Panel Members noted the interim report provided for information in respect of the urgent Modification 0726. The Panel Chair asked if any additional questions or information is required prior to submission of the final report.

A number of minor errors were noted in relation to Table 1 which provided cumulative data for the three-month period to July 2020:

- a. Richard Pomroy (RP) queried whether the data quoted in the % Utilised column was data in relations to proportions rather than percentages.
- b. Tracey Saunders (TS) pointed out that the column titled '*Suppliers at Cap*' was incorrect and that it should state '*Shippers at Cap*'.

Steve Mulinganie (SM) confirmed that the Energy Balancing Credit Committee (EBCC) and the DSC Credit Committee are also considering if there are any knock-on implications.

- Panel Members agreed to receive a final update at the 17 September Panel meeting.

262.7. New, Non-Urgent Modifications

All Panel Members were available for the voting in relation to the New Non-Urgent Modifications.

a) Modification 0731 – Introduction of an Annual Modification Panel Report

SM introduced the Modification stating that the Modification intends to put in place a requirement for an Annual Report on the operation of the UNC Modification Panel to help facilitate continuous improvement and ensure the efficient and effective operation of the Panel. The Annual Report would be produced by the Independent Chair of the UNC Modification Panel supported by the Joint Office of Gas Transporters.

A number of observations were made in relation to the proposal:

- a. The Panel Chair indicated that she would be happy to support the Panel with this role but pointed out that the Joint Governance Arrangements

Committee (JGAC) did not include the production of an annual report as part of the role of the independent Panel Chair at the time of her appointment.

- b. RP sought clarification on the scope of the Modification and whether it covers the Modification Rules, Modification Process, the operation of the Modification Rules and also the role of the Joint Office of Gas Transporters. SM confirmed that the scope had not been limited and could cover all of these areas.
- c. RP asked about the implications of the Ofgem/BEIS review on 'reforming energy industry codes' in the context of code administrator and code manager roles. He sought an update from Ofgem on the likely whether the outcomes of the review are likely to be published or whether there would be a further consultation. Liam King (LK) responded to state that an update had been provided at the July Panel meeting. He reiterated that the review is seeking a fundamental change in order to deliver strategic priorities. LK acknowledged that the need to re-prioritise and re-focus work during the COVID-19 period has led to some delays. He confirmed that Ofgem are intending to publish the summary responses to the consultation this year and that there would be a further consultation in 2021.
- d. TS suggested that Workgroup should consider the timing of subsequent Annual Reports to align with the tenure of the Panel Chair to avoid any overlap.
- e. A brief discussion took place on whether Modification 0731 would be discussed as part of the Governance Workgroup and noting that meetings of this group had been deferred to November. SM suggested that he did not want delay discussion to November and asked if it would be possible to hold Workgroup meetings in September.

Guv Dosanjh (GD) asked if Request 0676R - Review of Gas Transporter Joint Office Arrangements which had also been deferred to November would also be included alongside discussion of this Modification. In response, SM suggested that it would be preferable to keep the discussion of Modification 0731 as a separate Workgroup and added that attendance by the Panel Chair should also be considered.

PG reminded Panel Members that one of the reasons Governance Workgroup had been deferred to later in 2020 was not only because of other priorities but also because of lack of engagement by Shippers. She emphasised the importance of quoracy and encouraged Panel Shipper Members to attend.

- f. The Panel Chair also suggested attendance by JGAC representatives.

For Modification 0731 Members determined:

- It is not related to the Significant Code Review, by unanimous vote (14 out of 14).

- The criteria for Self-Governance were met as this Modification is not likely to have a material impact material effect on the Uniform Network Code governance procedures or the Modification procedures, by unanimous vote (14 out of 14).
- That Modification 0731S be issued to Workgroup 0731S with a report by the 17 December 2020 Panel, unanimous vote (14 out of 14).

b) Modification 0732 – Performance Assurance Committee voting arrangements

PG reminded Panel Members that a unanimous vote is required in relation to the votes relating to the governance of Fast Track Self Governance Criteria and also for implementation.

RP provided an outline of the Modification which puts into the Uniform Network Code (UNC) the existing voting arrangements listed in the Performance Assurance Committee (PAC) Terms of Reference and confirmed by unanimous vote at the UNC Committee (UNCC) on 16 July 2020.

He suggested that it was timely to make this change now to avoid a repeat of the discussion held at UNCC in July and to avoid any future ambiguity. In addition, it is a simple change requiring an amendment to TPD V16.2.1 to reflect that a majority is required in each of the Transporter and Shipper constituencies for a decision to be made at the Performance Assurance Committee.

RP suggested that consultation would not be appropriate as the topic has already been discussed at UNCC and Committee Members have unanimously voted that constituency voting as set out in the PAC Terms of Reference should apply.

RP further stated that as this is a house keeping change, Fast Track Self Governance criteria are proposed.

For Modification 0732 Members determined:

- It is not related to the Significant Code Review, by unanimous vote (14 out of 14).
- The criteria for Self-Governance are met, by unanimous vote (14 out of 14).
- The criteria for Fast-Track Self Governance are met, by unanimous vote (14 out of 14).
- To recommend implementation of Modification 0732FT by unanimous vote (14 out of 14).

c) Modification 0733 – UNC Section Y clarification post decision on implementation of Modification 0678A

DL introduced the Modification stating that it proposes to correct a single

minor typographical error in UNC TPD Section Y associated with Modification 0678A – *Amendments to Gas Transmission Charging Regime (Postage Stamp)* due to be implemented on 01 October 2020. He explained that the error is in relation to the formula for the calculation of 'Exit Adjustment Proportion' (in 1.5.3 (f) of Section Y (Charging Methodologies), Part A NTS Charging Methodologies, A 1 NTS Transportation Charging Methodology).

DL suggested that the Modification meets the Fast Track Self Governance criteria as it is correcting a single, minor typographical error that does not change the sentiment of the code.

For Modification 0733 Members determined:

- It is not related to the Significant Code Review, by unanimous vote (14 out of 14).
- The criteria for Self-Governance were met as this Modification is unlikely to have a material impact on existing or future gas consumers, competition between parties, operation of network systems or UNC procedures nor unduly discriminate between different classes of UNC parties, by unanimous vote (14 out of 14).
- The criteria for Fast-Track Self Governance are met, by unanimous vote (14 out of 14).
- To recommend implementation of Modification 0733FT by unanimous vote (14 out of 14).

d) Modification 0734 – Reporting Valid Confirmed Theft of Gas into Central Systems

PG asked Panel Members to agree to consider this Modification at short notice.

Fraser Mathieson (FM) provided a brief outline of the Modification including the background highlighting that the Modification aims to place obligations on Shipper parties to ensure that valid confirmed theft of gas data received from Suppliers, such as consumption volumes, are appropriately entered into central systems for the purposes of Settlement. He added that the Modification also seeks to ensure corrections to Annual Quantities (AQ) that are required as a result of theft of gas are undertaken as required.

FM added that a key finding of the Joint Theft Reporting Review Group (JTTR) was that 30% of all theft volumes confirmed by Suppliers do not appear in Settlement. He added that the largest single instance involved 85GWh of energy (equivalent to £2.5m at SAP of 3p per KWh). The conclusion of JTTR was that there is not currently sufficient provision in code to ensure confirmed theft data is shared and input into settlement.

The JTTR recommended placing obligations on Shippers and Suppliers in the UNC and SPAA respectively. The SPAA Change was implemented in

June 2020 and a commensurate change is now proposed in the UNC to obligate Shippers to ensure this data is input into Settlement.

FM added that the options have been extensively reviewed and the solution discussed with Xoserve as part of the review group. It is proposed that high level obligations are placed on Shippers in UNC TPD Section E. These obligations would be discharged through a DSC/CDSP process, in the form of a guidance document/process which would sit under UNCC ownership.

FM suggested that the Modification is subject to Self- Governance and reviewed by a Workgroup for one month.

Panel Members made the following comments/observations in discussion of this Modification:

- a. Ellie Rogers (ER) suggested that a single Workgroup meeting would be insufficient and challenging for the process of discussion and review of the costs.
- b. TS agreed with this reiterating that previously Panel Members have preferred the approach to assign Modifications to Workgroup for a minimum of three months. She acknowledged that Workgroup Reports can be submitted early if necessary.
- c. TS queried Business Rule 1 suggesting that the wording is reviewed by Workgroup as it implies an obligation on Suppliers and not Shippers.
- d. SM suggested that as the JTTR has already undertaken a lot of the work and all the key stakeholders have been involved in the discussion it may be possible to conclude the discussions with just 2 Workgroup meetings before the October Panel meeting.
- e. Panel Members discussed the governance of the Modification particularly whether it should be 'Authority Direction'. Dan Fittock (DF) suggested that the single instance involving 85GWh(SAP at 3p per kWh) was not a relevant price in the current market and therefore did not feel it was credible.

FM responded to say that the 3p per kWh has significantly reduced and that Self-Governance is proposed because industry parties should be self-regulating and commercial agreement should also reflect this.

LK stated that from an Ofgem perspective he was not convinced the governance should be Authority Direction based on the Modification as currently drafted. He suggested that Ofgem would want to better understand the materiality. LK questioned how the £2.5m figure in the Modification compares to total theft reported or total throughput in the

given period.

- f. FM added that the Performance Assurance Committee (PAC) would be expected to monitor the performance of these arrangements. Panel Members agreed that the Modification is developed at Distribution Workgroup and that PAC should also consider the monitoring arrangements.
- g. DM suggested that Xoserve will need to consider how Business Rule 6 will work in practice.
- h. PG highlighted potential cross code impact with IGT UNC and suggested that the Workgroup also be asked to consider if there are any impacts.

Workgroup Questions:

1. Workgroup to consider whether Self-Governance remains appropriate?
2. Workgroup to consider any potential cross Code impacts and implementation timelines.

For Modification 0734 Members determined:

- It is not related to the Significant Code Review, by unanimous vote (14 out of 14).
- The criteria for Self-Governance were met as this Modification is not likely to have a material impact on consumers, competition, the operation of pipeline systems or matters relating to the safety or security of supply, by unanimous vote (14 out of 14).
- That Modification 0734S be issued to Workgroup 0734S with a report by the December 2020 Panel, by majority vote (14 out of 14).

262.8. Existing Modifications for Reconsideration

LK provided an update on a number of Modifications currently with Ofgem for a decision:

a. Modification 0686 - Removal of the NTS Optional Commodity Rate with adequate notice

Richard Fairholme (RF) asked why a decision could not be made on Modification 0686 as this would not be needed as Modification 0678 had now been implemented. LK stated that a decision on this Modification will be made in due course however this had been deprioritised.

The Panel Chair sought clarification of the process for withdrawing a Modification. PG confirmed that only a proposer can withdraw a Modification at any point.

b. Modification 0687 - Creation of new charge to recover Last Resort Supply Payments

LK reported that Ofgem have provided an update at the Distribution Workgroup meeting held on 23 July 2020. A link to the minutes of the meeting is provided below:

<https://www.gasgovernance.co.uk/dist/230720>.

LK further added that Ofgem are considering a faster, more efficient and more targeted way to recover Supplier of Last Resort (SoLR) customer charges.

ER reported that it was agreed at the August DSC Change Management Committee to remove the DSC Change Proposal - XRN 4992 to be delivered as part of the UK Link June 2021 release if an Ofgem decision has not been reached by 25 October 2020.

Andrew Green (AG) as the Proposer of Modification 0687 highlighted that the Modification has been with Ofgem since October 2019 and expressed concern that a year later there was high risk that Xoserve would de-scope the delivery of the solution. He reminded Ofgem of the precedent set within electricity where a similar change is intended to deliver the same outcomes and reiterated previous concerns about the delay.

LK suggested that Ofgem do not want to make an implementation decision without fully considering if there is an alternative solution. He added that having the DSC Change Management delivery timescales for the June 2021 release was helpful.

<p>New Panel Action PAN 08/01: The Panel Chair to draft a formal letter to Ofgem requesting a likely decision date (in line with paragraph 9.5.2 of the UNC Modification Rules) in respect of Modification 0687 - Creation of new charge to recover Last Resort Supply Payments and also Modification 0692S - Automatic updates to Meter Read Frequency. The letter should reference Xoserve system deadlines and the decision taken at the August DSC Change Management Committee to descope the work for delivery as part of the UK Link June 2021 release.</p>
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c. Modification 0692S - Automatic updates to Meter Read Frequency and Modification 0701 - Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs

TS sought an update on Modification 0692S (sent to Ofgem on 19 December 2019) and Modification 0701 (sent to Ofgem on 21 May 2020).

LK indicated that consideration of these two Modifications was in a progress and a decision would be provided in due course.

ER confirmed that it was also agreed at the August DSC Change Management Committee to remove the DSC Change Proposal - XRN 4941 to be delivered as part of the UK Link June 2021 release if an Ofgem decision has not been reached by 25 October 2020.

The Panel Chair suggested that the letter to Ofgem also requests an update on Modification 0692S highlighting Xoserve systems development deadlines.

d. Urgent Modification 0727 - Increasing the Storage Transmission Capacity Charge Discount to 80% and Urgent Modifications 0728 ABCD - Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS

Richard Fairholme (RF) sought an update on the Transmission Charging Modifications asking if there was any further update to that provided at the NTS Charging Forum meeting on 04 August 2020.

LK stated that a decision on these Modifications will be made in due course.

e. Modification 0730 - COVID-19 Capacity Retention Process

Nigel Bradbury (NB) sought clarification on the timescales for this Modification. SM confirmed that this Modification is being developed within the Distribution Workgroup and is due to report to Panel in October.

LK clarified that Ofgem's decision letter dated 07 July 2020 only considered the request for urgency status and does not provide Ofgem's view on the merits of Modification 0730.

262.9. Workgroup Reports for Consideration

a) Modification 0697S - Alignment of the UNC TPD Section V5 and the Data Permissions Matrix

Panel Members noted the Workgroup Report recommendations.

GD stated that Cadent Gas has contacted their lawyers to seek a view on whether the Legal Text for this Modification might impact the Retail Code Consolidation Significant Code Review (SCR) Legal Text but it had not been possible to get a response in time for this meeting. GD added that he did not consider it was the responsibility of lawyers to provide a view on SCRs and thought this should be a judgement for Panel or Workgroup.

Panel Members agreed for transparency to include a question in the consultation template to seek views on the impact with the Retail Code Consolidation SCR.

ER stated that the impact had been discussed at the start of the Workgroup and that Xoserve had also raised awareness through their response to the Ofgem/BEIS review on 'reforming energy industry codes'.

PG agreed to send an email to IGTUNC also to raise awareness of impact with an SCR.

Consultation Questions

1. Consultation respondents to provide views on whether there are any potential SCR impacts.

For Modification 0697S, Members determined:

- Modification 0697S should be issued to consultation with a close out date of 11 September 2020, by unanimous vote (14 out of 14).

b) Modification 0720S - Amendments to the Agreed Target Quantity at the Moffat Interconnection Point

Panel Members noted the Workgroup Report recommendations.

For Modification 0720S, Members determined:

- Modification 0720S should be issued to consultation with a close out date of 11 September 2020, by unanimous vote (14 out of 14).

c) Modification 0729 - Applying a discount to the Revenue Recovery Charge at Storage Points

Panel Members noted the Workgroup Report recommendations.

Panel Members considered whether to reduce the standard 15-day consultation period to enable a 01 October 2020 implementation.

PG stated that an extraordinary Panel meeting would need to be convened if a shorter 10-day consultation period was agreed.

SM questioned if a shorter timescale was appropriate for a Modification that is proposing a material change and requires Authority Direction.

LK echoed this saying that he would also be uncomfortable with a shorter consultation period. He asked if the compliance and implementation questions included in the consultation for the previous charging Modifications could be added to the consultation template.

The Panel Chair also advised against shortening the standard consultation timescales and suggested that it would not be sensible to reduce Ofgem's consideration time.

Consultation Questions

1. Respondents are requested to provide a view as to whether Article 9(1) TAR NC requires that a discount must be applied to the capacity reserve prices only or whether the discount must also be applied to the Transmission Services Revenue Recovery Charges (see section 'EU Code Impacts' of the Work Group Report).

2. Respondents are requested to provide views on the proposed implementation date.

For Modification 0729, Members determined:

- Modification 0729 should be issued to consultation with a close out date of 11 September 2020, by unanimous vote (14 out of 14).

262.10. Consideration of Workgroup Reporting Dates and Legal Text Requests

Panel Members determined unanimously to extend the following Workgroup

reporting date(s), recorded here with some additional data:

Modification number and title	Current Panel reporting date	Requested Panel reporting date	Reason for request to change Panel reporting date/Comments
Request 0646R - Review of the Offtake Arrangements Document	October 2020	April 2021	Discussion of remaining issues continues, with a realistic expectation that resolution will extend beyond the current reporting timeline.

Panel Members determined unanimously to make a deemed legal text request for the following modification(s):

Legal Text Requests for Modifications
0697S - Alignment of the UNC TPD Section V5 and the Data Permissions Matrix
0729 - Applying a discount to the Revenue Recovery Charge at Storage Points

262.11. Consideration of Variation Requests

a) Modification 0664V - Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4

PG briefly explained the process for consideration of the variation request and possible consideration of the Final Modification Report should Panel Members not consider the variation request to be material.

The Panel Chair sought views on the Variation Request and whether the Modification should be issued to consultation.

LK stated that it was not clear whether Workgroup reached a consensus view on the issues discussed at Workgroup and it was, therefore, not clear if all the issues had been addressed fully. He added that it was also not clear whether the cost benefits had been demonstrated. He further added that he found the documentation very difficult to navigate and suggested that a clear summary was needed.

ER provided a response in relation to the Rough Order of Magnitude costs stating that Workgroup had agreed not to revisit the assessment of costs in the Supplemental Report or within the variation as the costs remain the same.

Mark Jones (MJ) stated that the Supplemental Report includes an analysis of costs and benefits provided by SSE giving a breakdown by Supply Meter Point Classification, the average usage and price of gas used.

A brief discussion took place on what documents would be included as part of the consultation. It was confirmed that the Supplemental Report would be issued with the consultation.

Panel Members were of the view that if Ofgem found the documentation difficult to read then industry parties would also. There was broad agreement that the documents need to be made more 'user friendly' for industry and consolidating the documents would be helpful.

Given this discussion about the clarity of the documentation, the Panel Chair asked Panel Members if consideration of the variation request was sensible or whether discussion should be deferred to allow Workgroup time to make the documents simple and easy to read.

For Variation Request 0664V, Members determined:

- To defer consideration of Modification 0664V to the 17 September Panel, by unanimous vote (14 out of 14).

262.12. Final Modification Reports

a) **Modification 0664 Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4**

The Supplemental Report was discussed alongside the variation request as part of agenda item 262.11 above.

Modification Panel Members then determined:

- ~~To defer consideration of Modification 0664 to the 17 September Panel, by unanimous vote (14 out of 14).~~

Deleted: Modification 0664 returned to Workgroup, by unanimous vote (14 out of 14).

b) **Modification 0691S - CDSP to convert Class 2, 3 or 4 Supply Meter Points to Class 1 when G1.6.15 criteria are met**

AG was not present for this vote, SM held AGs vote, so 14 out of 14 votes were available.

PG explained the purpose of the Modification before highlighting that of the 6 representations received.

In relation to Modification 0691S

- 4 supported implementation
- 2 were not in support.

The Panel Chair invited the 2 Transporters who had not supported the Modification to discuss their concerns. The following issues were raised in discussion:

- a. TS expressed concern about the process and its reliance on

industry parties that are not signatories to the UNC are causing delays. This is because before a site can be moved into Class 1 it must have the required equipment installed. This requires the Shipper User to provide contact details to enable site access. The Shipper is the only UNC party that can request and provide these details. Northern Gas Networks(NGN) do not believe that a change to the UNC will address this issue and suggest that a review of the process is required. NGN believe that the current UNC obligations are sufficient.

- b. There was a general discussion in relation to the process and the related process flow chart submitted as part of the NGN representation concerning the potential issues related to the installation of DM read equipment being encountered prior to where this Modification process commences.
- c. Reasonable endeavours obligations already exist on Shippers under the UNC to support the installation of DM read equipment (this might include providing contact details etc), however this Modification introduces similar reasonable endeavours obligations on the CDSP and therefore dilutes the obligations on Shippers.
- d. TS also stated that the Legal Text is very detailed rather than principle led which could potentially lead to dual governance issues between the existing text and any text to be introduced by this Modification.
- e. There was broad agreement that this Modification provides suitable incentives to ensure sites that meet the Class 1 criteria are moved to that Class. Such actions should lead to improved accuracy of daily allocation, less UIG volatility and lower levels of subsequent meter point reconciliation. It was noted that this should be considered as an improvement to the existing process as it highlights those sites that should be in Class 1 and action is then taken.
- f. Code specifies that a site is not Class 1 until suitable DM Read equipment has been installed, therefore this Modification changes the process to where the CDSP declares a site as Class 1 prior to the DM read equipment being installed therefore the process needs to be aligned.
- g. Some concerns were raised about whether this Modification would improve the status of the outstanding 15 sites which have not been moved into Class 1 even though they meet the designated criteria.
- h. A Panel Member noted that UIG and settlement are considered to be Shippers related issues and this Modification aims to make beneficial changes to the DM process that improves overall settlement performance.

- i. MB and also other Panel Members suggested that PAC reporting would be beneficial and does not require a Modification to implement. This would help to understand the status of the 15 sites. It was suggested that PAC review the 15 sites to establish to identify if there is any natural cycling of meter points or is it the same 15 sites over a longer period. PAC to consider if any new obligations are required. ER suggested that the CDSP would need the cooperation of the parties involved to understand the issues for individual sites. MB stated that Modification 0674 – *Performance Assurance Techniques and Control* includes some obligations on third parties and suggested that these could help with engagement issues.

The Panel requests Workgroup and/or PAC as applicable to consider the following issues and provide a report (as an update to the Final Modification Report) to the October Panel in response to the issues below:

- Are there any risks posed by any duplicate Obligations in Code?
- Review the proposed process to understand the impact on the 15 outstanding sites to identify if this process would change their status
- Will this process have an impact on UIG ?re there any Data Quality risks?
- Are there any risks posed by not having a direct relationship between CDSP and DMSP?
- Does this Modification have a dependency on the implementation of Modification 0710 - CDSP provision of Class 1 read service?

Modification Panel Members then determined:

- That there were new issues requiring a view from Workgroup, by unanimous vote (14 out of 14).
- Workgroup 0691S to be asked to provide a report to the 15 October 2020 Panel, by unanimous vote (14 out of 14).

262.13. AOB

a) UNC Modification Panel Voting Panel Rules

BF provided a walkthrough of a presentation in relation to UNC Modification Panel and Voting Rules. He highlighted the background, current problem, some areas of ambiguity and suggested a way forward.

Bf highlighted that to make a change to the UNC a *Panel Majority* is required. Where the Panel is asked to vote with 'Yes' votes only the number of available votes needs to be known before the voting takes place in order to determine if there is a Panel Majority.

The number of available votes is complicated by absent Panel Members, use of Alternates and circumstances where a Panel Member chooses not to exercise their vote but is in attendance.

A brief discussion took place between Panel Members on the interpretation of an 'exercisable vote and the role of a Panel Member who is acting as an Alternate.

In relation to Alternates, standing Alternates would hold the vote for the Panel Member. If the Panel Member has not provided any voting instructions to the Alternate then the Alternate will vote on the basis of best endeavours. However, even where a voting instruction has been provided in advance there may be circumstances where the voting is changed during discussion and this is not covered by the instruction from the Panel Member.

Panel Members also discussed the current interpretation of exercisable particularly in the context of a Panel Member not in attendance (with no Alternate confirmed), a Panel Member who chooses to 'abstain' from voting and so does not exercise their vote.

BF clarified that where a Panel Member chooses not to exercise their vote it is still counted as an 'exercisable vote but one that has not been 'exercised'.

SM asked if a Panel Member decided to leave the room because they did not want to exercise a vote would the number of total votes be reduced? Panel Members also asked how this would work for meetings held by teleconference as you cannot physically leave the meeting.

The Panel Chair clarified that for teleconference meetings the expectation would be that where a Panel Member did not wish to exercise their vote then they would have to leave the call and wait to be allowed back in after the vote had taken place.

Some Panel Members suggested whether a Panel Member should be allowed not to discharge a vote as they have been elected to represent industry. PG reminded Panel Members of the '*Panel Statement of Behaviour*' which provides guidelines to be adopted by all Members of the Panel and provides guidance to help protect the reputation and work of the Panel. The statement includes the following guideline:

"Panel Members will be as open as reasonably possible about the decisions and actions that they take and were possible if requested should be able to give their reasons for any decisions or recommendations made."

DL suggested that there is a further issue in relation to 'preference votes' adding that it has not always been clear what Panel Members were being asked to vote on in relation to Modifications with Alternatives.

Panel Members also sought clarification on the rationale for including a preference vote and whether it was requested by Panel or Ofgem.

BF agreed with DL and stated that the Modification Rules do not explicitly make reference to preference voting. BF added that Ofgem had previously asked for Panel to provide a preference in order to provide a numerical weighting and also seek Panel views on whether more than one Modification was implementable.

SM expressed concern that there is no formal governance for preference votes and asked what vires Panel Members had. He suggested that preference voting compels Panel Members to declare a view about a Modification. He suggested that a Modification could be raised to introduce preference voting to provide the formal governance.

PG asked Panel Members if they were concerned about being asked to provide a preference.

LK stated that where there are many Alternative Modifications, it is helpful to Ofgem to understand if the Panel consider whether the Modifications are implementable and which Modification best facilitates the relevant objectives.

PG suggested that the Governance Workgroup could look at this issue.

Following a discussion, Panel Members agreed that the maximum number of total Exercisable votes will always be 14 and only where a Panel Member is not present and has NOT authorised an Alternate would the total number of Exercisable votes be reduced.

Post Meeting Update provided by Ofgem

LK provided an update highlighting that paragraph 9.4.2 of the UNC Modification Rules states that the Modification Report should provide analysis of which Modification Proposal in the opinion of the Modification Panel better facilitates the achievement of the Relevant Objectives.

"Where two or more Modification Proposals have proceeded through the Modification Procedures together (and neither proposal has been withdrawn and all work has not been discontinued following a decision of the Modification Panel in respect of either proposal) the Modification Report shall, in addition to the analysis referred to in paragraph 9.4.1(b),

provide an analysis as to which of the Modification Proposals would in the opinion of the Modification Panel better facilitate the achievement of the Relevant Objectives.”

b) Legal Text Guidance Document – Annual Review

PG highlighted that the Legal Text Guidance Document is referenced in the UNC and that paragraph 9.6.6 of the Modification Rules allows the Modification Panel to modify the document by Panel Majority.

PG asked Panel Members to review the document and provide comments at the September meeting for formal approval.

c) UNC User Representative Process Update

PG reported that the 2020-21 User Representative Appointment process is complete and that a full list of Committee members will be published on the Joint Office website on 01 September 2020.

She highlighted that PAC Members will be re-issued confidentiality letters to sign.

d) Update from PAC in relation to the review of COVID-19 interventions needed for Winter 2020/21

Panel Members noted the report provided for information. It was noted that the PAC highlighted the importance of regular and accurate meter read submissions as the highest priority. In addition the current COVID-19 related Modifications should be reviewed to ensure that they can be made to work better in terms of traceability and auditability.

The Panel Chair asked if the COVID-19 related Modifications only cover a national lockdown. TS confirmed that the Legal Text includes provision for regional/local lockdowns.

DF suggested that regional lockdowns could materially impact some Shippers as some Shippers could see a reduction in submissions.

ER reported that Distribution Workgroup are considering a possible solution in relation to distinguishing between actual and estimated reads as currently there is no flag to determine this.

Panel Members thought it was important to understand all the issues that need to be addressed in relation to regional impacts.

e) Issues Log

KE reported that Joint Office have created an issues log and this will be used to capture process related issues arising from Panel discussions. She added that four issues had been raised at this meeting:

- a. Voting results recorded incorrectly in respect of the preference vote for Modification 0716 – it was agreed that 2 members of Joint Office would record results and compare before final publishing.
- b. Legal Text should always be provided with a change marked version so that changes are easy to identify.
- c. Knock-on effect to system releases and impacts to other processes due to delayed Ofgem decisions.
- d. Clarity of documentation – documents in relation to Modification 0664 and variation request were not user friendly.

Panel Members agreed that the Issues Log would be included as a standard agenda item for future meetings and would be discussed at the start of the meeting.

f) Modification Update – 0687 Creation of new charge to recover Last Resort Supply Payments

Discussed under agenda item 262.8

g) Modification Update – 0692S Automatic updates to Meter Read Frequency

Discussed under agenda item 262.8

h) Joint Office Workload Assessment

PG provided an update on the number of meetings administered by the Joint Office in the last 12 months and also during the lockdown period.

Rolling 12 Month Period (19/08/2019 – 19/08/2020)	Meeting Type	Total
	UNC Workgroup	271
	UNC Sub-Committee	47
	Panel & UNCC (where each counted as 1)	27
	DSC Committee (where each counted as 1)	30
	Grand total	375

<u>Post COVID-19 Lockdown Period Commencement</u> <i>(23/03/2020 onwards)</i>	Meeting Type	Total
	UNC Workgroup	93
	UNC Sub-Committee	20
	Panel & UNCC (where each counted as 1)	11
	DSC Committee (where each counted as 1)	12
	Grand total	136

262.14. Date of Next Meeting

10:00, Thursday 17 September 2020, by teleconference.

Action Table (20 August 2020)						
Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update	Date of Expected update
PAN 04/11	21/11/19	250.11	Code Administrator (JO) to draft a straw man template/dashboard showing Management Information for Modifications in flight for Panel to consider in January 2020.	Joint Office (PG)	Carried Forward	October
PAN 01/07	16/07/20	261.13 c)	Joint Office (PG/AR) to provide a report to the UNC Modification Panel on the evolution of the voting process and the voting options for discussion at the August Panel meeting.	Joint Office (PG/AR)	Closed	August
PAN 01/08	20/08/20	262.8 b)	The Panel Chair to draft a formal letter to Ofgem requesting a likely decision date (in line with paragraph 9.5.2 of the UNC Modification Rules) in respect of Modification 0687 - Creation of new charge to recover Last Resort Supply Payments and also Modification 0692S - Automatic updates to Meter Read Frequency. The letter should reference Xoserve system deadlines and the decision taken at the August DSC Change Management Committee to descope the work for delivery as part of the UK Link June 2021 release.	Joint Office (PG)	Pending	September

