

Record of Determinations: Panel Meeting 251 19 December 2019

In favour	Not in Favour	Not Present	No Vote Cast
✓	X	NP	NV

Note definition of Defined Term "Panel Majority" in the Mod Rules 2.1.

FMR implementation votes should record either in favour or not present (or be blank) Mod Rules 9.4(b)

In favour	Not Present
✓	NP

Modification	Vote Outcome	Shipper Voting Members											IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought
		AG	DF	MB	MJ	RF	SM	DL	GD	HC	RP	TS				
0706R - Instances where Shippers can exit commercial agreements with an independent Supplier	Yes consider at short notice - majority vote for (9 out of 14)	✓	X	✓	X	✓	✓	✓	X	✓	✓	X	✓	✓	X	Consider 0706R at short notice?
	Modification 0706R issued to Workgroup 0706R with a report to be presented to the 18 June 2020 Panel - majority vote for (13 out of 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	Should Request 0706R be issued to Workgroup 0706R with a report to be presented to the 18 June 2020 Modification Panel?
Modification 0712 - Amending the oxygen content limit in the Network Entry Agreement (NEA) at the St Fergus SAGE plant	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification 0712 impact a Significant Code Review?
	No cross code impact - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification 0712 have a Cross-Code Impact?
	Is a Self-Governance Modification - <i>unanimous vote for</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does 0712 meet the Self-Governance Criteria?
	Modification 0712S issued to Workgroup 0712S with a report to be presented to the 21 May 2020 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0712S be issued to Workgroup 0712S with a report to be presented to the 21 May 2020 Modification Panel?
Modification 0713 - Amendments to TPD V3.1.7 Independent Assessment table	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification 0713 impact a Significant Code Review?
	Is a Self-Governance Modification - <i>unanimous vote for</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does 0713 meet the Self-Governance Criteria?

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 FMR implementation votes should record either in favour or not present (or be blank) Mod Rules 9.4(b)

In favour	Not Present
✓	NP

Modification	Vote Outcome	Shipper Voting Members											IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought	
		AG	DF	MB	MJ	RF	SM	DL	GD	HC	RP	TS					JC
	Modification 0713S issued to Workgroup 0713S with a report to be presented to the 16 April 2020 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0713S be issued to Workgroup 0713S with a report to be presented to the 16 April 2020 Modification Panel?
0690S - Automatic updates to Meter Read Frequency	Proceed to Consultation, with consultation closing out on 24 January 2019 and report to 20 February 2020 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0690S be issued to Consultation, closing out on 24 January 2020 with a report to the 20 February 2020 Panel?
0680S - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union	Consideration of Modification 0680S deferred to February Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consideration of Modification 0680S be deferred to February 2020 Panel?
0692S - Automatic updates to Meter Read Frequency	No new issues raised - <i>majority vote (13 out of 14 against)</i>	X	X	✓	X	X	X	X	X	X	X	X	X	X	X	X	Were any new issues identified during the Consultation for 0692S?
	Modification 0692S should be implemented - <i>majority vote (13 out of 14 in favour)</i>	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0692S be implemented? (Yes votes only)

In favour	Not in Favour	Not Present	No Vote Cast
✓	X	NP	NV

Note definition of Defined Term "Panel Majority" in the Mod Rules 2.1.
 FMR implementation votes should record either in favour or not present (or be blank) Mod Rules 9.4(b)

In favour	Not Present
✓	NP

UNC Modification Panel

Minutes of Meeting 251 held on

Thursday 19 December 2019

at Elexon, 4th Floor, 350 Euston Road, London NW1 3AW

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representatives
M Bellman (SM), ScottishPower R Fairholme (RF), Uniper D Fittock (DF)*, Corona Energy A Green (AG), Total M Jones (MJ)*, SSE S Mulinganie (SM), Gazprom	H Chapman (HC), SGN J Cooper (JC), BU UK G Dosanjh (GD), Cadent D Lond (DL), National Grid NTS R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks	J Atherton (JA)*, Citizen's Advice N Bradbury (NB), EIUG

Non-Voting Members:

Chairperson	Ofgem Representative	Independent Supplier Representative
M Shurmer (MS), Chair	L King (LK)	(None)

Also in Attendance:

S Britton, Cornwall Insight;
A Fletcher (AF)*, Ancala Midstream;
P Garner (PG), Joint Office;
R Hailes (RH), Panel Secretary;
R Kealey, British Gas;
A Raper (AR), Joint Office;
E Rogers (ER), Xoserve; and
L Tooley *, Contract Natural Gas (Item 251.7a only).

**by teleconference*

Record of Discussions

251.1 Introduction

MS welcomed all attendees and then set out the order of business for the meeting. He reminded participants that this was his last meeting and thanked everyone for their support over the last two years.

251.2 Note of any alternates attending meeting

JC for A Travell

251.3 Record of apologies for absence

A Travell

251.4 Minutes from the Last Meeting(s)

Panel Members approved the minutes from the last meeting on 21 November 2019 and approved the amended panel voting record from 19 September 2019.

251.5 Consideration of Outstanding Actions

Action PAN 01/08: The Governance Workgroup is requested to provide recommendations on the criteria to be adopted for considering alternative Modifications.

Update: RH confirmed work is ongoing at Governance Workgroup and reiterated the five questions Workgroup are debating which highlight the issues that may contribute to a Panel decision on whether a Modification is a true alternative. Discussion continues, the draft list of questions is given below and will be discussed at the next UNC Panel meeting:

- Has the proposed alternative been raised promptly, given the timescales for the original Modification?
- How much alignment is there between the two timescales?
- How much alignment is there between the scope/features? Is the proposed alternative addressing the same issue with a different approach?
- Could the two solutions be implemented together or are they mutually exclusive?
- Where has discussion of the alternative solution taken place? (For example, in the relevant workgroup, offline with the proposer of the original Modification and/or as a pre-modification)

Some Panel discussion took place centring on whether the proposed alternative has been raised promptly, noting that this may be in conflict with the Modification Rules which will need discussion on a case by case basis by Panel. PG confirmed that pre-Modification engagement at workgroup and with Proposer of original Modification should be confirmed in the Proposal and the Workgroup Report.

Carried Forward.

Action PAN 01/09: Distribution Workgroup to review Modification 0700 and the Legal Text for unintended consequences which could be addressed via a new Modification (if required) with an interim update to October Panel.

Update: AR confirmed that this continues to be discussed and monitored at

Distribution Workgroup; a recent update from Xoserve noted that Class 3 numbers are at just over 3 million sites though the rate of increase is tailing off. No unintended consequences have yet been identified. The monitoring will be continued until numbers stabilise.

Carried Forward.

Action PAN 03/09: Code Administrator (Joint Office) to discuss at each Workgroup whether timescales for each Modification are achievable.

Update: PG confirmed that this was being addressed both at each Workgroup and internally at the Joint Office. At the January Panel an update on the improvements to the critical friend process will be brought and Panel will need to manage expectations of Proposers in terms of realistic progression rates. At the January Panel PG will introduce the MI being gathered to highlight the issues. Late papers is an area of much contention and the Joint Office is undertaking to improve performance in this area with the help of Workgroups and Committees. Panel queried several areas. The Modification Rules timings for Panel Meetings is expected to apply to all UNC meetings, this centres around papers being available for a minimum of five Business Days before a meeting for reading and preparation to allow for good governance. Each Committee or Workgroup will need to decide whether to accept each late paper at the beginning of each meeting. The Joint Office will use reasonable endeavours to publish all papers, labelling those coming in late as such. Panel MI will include reporting on late papers going forward. It was noted that some Committees have voted for certain pieces of information to be allowed to come in late in the interests of timely data. Some Panel Members cautioned that there could be a conflict between those wishing to have their Modification heard when it is placed later on a long agenda and this may sway opinion on accepting a paper on the day. This may be considered by some to be pragmatic, though monitoring for gaming should help ensure good governance prevails.

Closed

Action PAN 01/11: Code Administrator (J O) to correct the determinations record for Panel Meeting 247 on 19 September 2019 to record D Lond, G Dosanjh, H Chapman, R Pomroy, T Saunders and J Cooper as blank rather than NV and publish the draft amended determinations record for approval at the next meeting.

Update: approved as part of item 251.4

Closed

Action PAN 02/11: WGo to liaise with Ofgem as to how documents, such as Final Modification Reports, sent to the Authority can be improved in future.

Update: This action is ongoing, an update is expected in January

Carried Forward

Action PAN 03/11: PAC to consider the consequential impacts on the governance of the PARR reports of Modification 0707.

Update: RH confirmed PAC is going to great lengths to ensure the PARR reports associated with all live Modifications are being properly considered at PAC and

confirmed this action could be closed.

Closed

Action PAN 04/11: Code Administrator (J O) to draft a straw man template/dashboard showing Management Information for Modifications in flight for Panel to consider in January 2020.

Update: Update expected in January.

Carried Forward

Action PAN 05/11: Code Administrator (J O) to consider whether and under which circumstances Panel Member contact details can be made more widely available.

Update: PG confirmed further input is awaited and confirmed an update should be available for January.

Carried Forward

251.6 Consider Urgent Modifications

None

251.7 Consider New Non-Urgent Modifications

a) Modification 0706R - Instances where Shippers can exit commercial agreements with an independent Supplier

Some Panel discussion centred around the most recent version of the Review Modification being updated on 17 December and whether Panel Members had had time to read and digest the changes, notwithstanding the complexity or otherwise of the text. A vote was taken on whether to consider the Modification at short notice.

For Modification 0706R Members determined:

- That Modification 0706R should be considered at short notice, by majority vote (9 out of 14).

Panel briefly discussed the topics set out in the Review Modification, noting that the situation for non-combined Shipper/Supplier businesses was different to that where the two roles were held by the same organisation. Panel thanked the Proposer for providing additional clarity. Further brief discussion took place on the appropriate timeline discussion; Panel considered whether six months would be appropriate, concluding that the Workgroup Report can be finalised earlier if the discussion is complete. The Proposer concurred that this would be a pragmatic way forwards. Panel Members noted there may be a cross code impact and this should be considered at Workgroup.

Workgroup Question:

- Consider possible cross code impacts

For Modification 0706R Members determined:

- That Modification 0706R should be referred to Workgroup 0706R for

assessment, with a report by the 18 June 2020 Panel, by majority vote (13 out of 14).

b) Modification 0712 – Amending the oxygen content limit in the Network Entry Agreement (NEA) at the St Fergus SAGE plant

AF introduced the Modification highlighting the role of the Proposer OMV which co-owns gas from Edvard Grieg field on the Norwegian continental shelf. This is exported to the UK via the Utsira High gas pipeline, Beryl pipeline, SAGE pipeline and SAGE Terminal. Additional volumes are destined for the UK; this additional gas requires blending with nitrogen in order to meet the Incomplete Combustion Factor (ICF) limit (<0.48) in the Gas Safety (Management) Regulations 1996 GSM(R). Oxygen carried over from nitrogen blending will result in the SAGE Terminal export composition exceeding 10ppm limit set out in Network Entry Agreement (NEA). The proposed limits will still be well within GSM(R). The Proposer considers that allowing a relatively modest increase to the oxygen content limit in the NEA will be beneficial to the UK gas market as a whole.

The Proposer highlighted several previous related Modifications, all of which were self-governance.

DL confirmed that National Grid's analysis on oxygen penetration is already being progressed.

For Modification 0712 Members determined:

- It is not related to the Significant Code Review, by unanimous vote (14 out of 14);
- It does not have an impact on IGT-UNC, by unanimous vote (14 out of 14);
- The criteria for Self-Governance are met as this Modification is unlikely to have a material impact on gas consumers, competition, pipeline operations, security of supply, governance procedures and does not discriminate between code parties, by unanimous vote (14 out of 14);
- That Modification 0712S be issued to Workgroup 0712S with a report by the 21 May 2020 Panel, by unanimous vote (14 out of 14).

c) Modification 0713 – Amendments to TPD V3.1.7 Independent Assessment table

RP introduced the Modification noting that the Modification aims to update the table in UNC Transportation Principal Document (TPD) V 3.1.7 which shows how to calculate a User's Unsecured Credit Limit. This requires updating as Graydon have changed their credit ratings.

Panel discussion centred around whether the Modification was suitable for fast track self-governance with the conclusion that Shippers may wish to raise an issue so it should proceed to Workgroup for assessment. It was agreed that

this should come back to the April Panel, noting that it could come earlier if discussion is complete.

New Action PAN 01/12: Joint Office (RH) to alert EBCC and DSC Credit Committee members to the existence of the Modification 0713S
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Further Panel discussion centred around any cross-code impact and whether the Panel should only consider the IGT-UNC Code. For this Modification, Panel Members agreed there is a potential IGT-UNC impact. The Joint Office will write to the IGT UNC Panel Chair to communicate this.

Panel agreed to not vote on the question of cross code impact but rather to have a brief discussion on each new modification.

For Modification 0713 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 as this Modification is unlikely to have a material impact on gas consumers, competition, pipeline operations, security of supply, governance procedures and does not discriminate between code parties, by unanimous vote (14 out of 14);
- That Modification 0713S be issued to Workgroup 0713S with a report by the April 2020 Panel, by unanimous vote (14 out of 14).

251.8 Existing Modifications for Reconsideration

None

251.9 Consider Workgroup Issues

None

251.10 Workgroup Reports for Consideration

a) Modification 0690S - Automatic updates to Meter Read Frequency

Panel Members noted the Workgroup Report recommendations.

For Modification 0692S, Members determined:

- It should be issued to consultation with a close out date of 24 January 2020, by unanimous vote (14 out of 14).

251.11 Consideration of Workgroup Reporting Dates and Legal Text Requests

Members determined unanimously to extend the following Workgroup reporting date(s), recorded here with some additional data:

Modification	Current Panel reporting date	New Panel reporting date	Reason for changing Panel reporting date/Comments
0662 - Revenue Recovery at Combined ASEPs	16 January 2020	16 July 2020	Requested by Workgroup Chair and agreed by Proposer. Modification related to outcome of Modification 0678 thus no significant progress at last two workgroups.
0696 - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs	20 February 2020	16 April 2020	Requested by Workgroup Chair and agreed by Proposer. Significant progress is being made (it is estimated that 2/3 of assessment is complete). However, three Workgroup meetings will not be sufficient.
0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS	16 January 2020	16 July 2020	Requested by Workgroup Chair and agreed by Proposer. Modification related to outcome of Modification 0678 thus no significant progress at last Workgroup.
0672 - Target, Measure and Report Product Class 4 Read Performance	16 January 2020	19 March 2020	Requested by Workgroup chair and agreed by Proposer. Further amendment to Modification is required.
0701 - Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs	20 February 2020	16 April 2020	Requested by Workgroup chair and agreed by Proposer. Further amendment to Modification is required.
0702S - Introducing 'Research Body' as a new User type to the Data Permissions Matrix and UNC TPD Section V5	16 January 2020	19 March 2020	Requested by Workgroup chair and agreed by Proposer. Suggested alignment with 0697, no significant progress at last two Workgroups.

Members determined unanimously to request Legal Text for the following

modification(s):

Modification
0713S - Amendments to TPD V3.1.7 Independent Assessment table (deemed request only)

New Action PAN 02/12: Joint Office (RH) to send email out to let industry know PAC meeting on 20/1/20 is an open meeting if this is formally approved by PAC.

251.12 Consider Variation Requests

None discussed.

251.13 Final Modification Reports

- a) Modification 0680VS – UNC Changes as a Consequence of ‘no deal’ United Kingdom Exit from the European Union

Panel Members discussed whether to defer to January 2020 or February 2020, noting that the withdrawal agreement will need to be finalised in order to decide how to proceed with this Modification.

For Modification 0680VS, Members determined:

- That consideration of the Final Modification Report 0680VS should be deferred until the 20 February 2020 Panel, by unanimous vote (14 out of 14).

a) **Modification 0692S – Automatic updates to Meter Read Frequency**

Panel Members noted the recommendations in the Workgroup Report.

ER confirmed upon request that there is nothing within the Modification regarding auto-reversion of the MRF by the CDSP. This is in relation to both:

- Where the AQ of a site reduces below the 293,000kWh
- Or where a meter no longer qualifies as a smart meter

In both of these scenarios if the meter no longer meets the criteria to be Monthly Meter Read Frequency (MRF), the Shipper is able to change the MRF back to Annual. This will not be done by the CDSP as currently set out within the Modification.

This point was raised by Workgroup Participants also and she understood an alternative was considered but later rejected as an idea. In the future it is possible that a Modification or Change Proposal may be raised regarding the auto-reversion of the MRF.

In terms of the CDSP not identifying non-communicating smart meters prior to the update being made, the Workgroup agreed that certain criteria should be met in order to determine a meter as smart. These included:

- Meter Mechanism Code (NS, S1 and S2)
- Where the Mechanism Code is NS or S1 an extra check on the installing and effective Supplier being the same is required
- Active DCC flag
- AMR indicator.

Panel Members discussed the implementation date of the Modification.

For Modification 0692S, Members determined:

- That there were no new issues requiring a view from Workgroup, by majority vote (13 out of 14)
- To recommend implementation of Modification 0692S, by majority vote (13 out of 14).

251.14 AOB

a) Suggested performance assurance amendment to standard Workgroup Terms of Reference

Panel members asked for the matter to be considered at Governance Workgroup with some additional justification for the change from PAC.

b) Panel Member contact details

See Action PAN 05/11.

c) Ofgem Update on Modification 0678

LK noted that the minded-to decision and impact assessment will be published by Ofgem on 23 December 2019. The consultation which is likely to follow (under EU TAR NC Article 26) will last for 2 months. Panel Members discussed the impact of the date of the decision, considering the Ofgem Moratorium.

d) Ofgem Update on Modification 0687

LK confirmed that Modification 0687 remains under consideration and no decision is yet available, nor can it be confirmed when the decision will be available. Panel Members noted that systems implementation of 0687 cannot be finalised until Ofgem's decision was received. The systems implementation had been scheduled for February 2020 but this was no longer possible due to the delay in Ofgem's decision.

250.15 Date of Next Meeting

- 10.30, Thursday 16 January 2020, at Elexon.

Action Table (19 December 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAN 01/08	15/08/19	246.5 a)	The Governance Workgroup is requested to review the current criteria for proposing alternative Modifications and provide clarity and/or recommendations for the management of alternative Modifications.	Joint Office (RH)	Carried Forward
PAN 01/09	19/09/19	247.3	Distribution Workgroup to review Modification 0700 and the Legal Text for unintended consequences which could be addressed via a new Modification (if required) with an interim update to October Panel.	Joint Office (AR)	Carried Forward
PAN 03/09	19/09/19	247.9	Code Administrator (J O) to discuss at each workgroup whether timescales for each Modification are achievable.	Joint Office (All Workgroup Chairs)	Closed

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAN 01/11	21/11/19	250.13a)	Code Administrator (J O) to correct the determinations record for Panel Meeting 247 on 19 September 2019 to record D Lond, G Dosanjh, H Chapman, R Pomroy, T Saunders and J Cooper as blank rather than NV and publish the draft amended determinations record for approval at the next meeting.	Joint Office (RH)	Closed
PAN 02/11	21/11/19	250.13a)	WGo to liaise with Ofgem as to how documents, such as Final Modification Reports, sent to the Authority can be improved in future.	WGo	Carried Forward
PAN 03/11	21/11/19	250.7c	PAC to consider the consequential impacts on the governance of the PARR reports of Modification 0707.	PAC	Closed
PAN 04/11	21/11/19	250.11	Code Administrator (J O) 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
PAN 05/11	21/11/19	250.14b	Code Administrator (J O) to consider whether and under which circumstances Panel Member contact details can be made more widely available.	Joint Office (PG)	Carried Forward
PAN 01/12	19/12/19	251.7c)	Joint Office (RH) to alert EBCC and DSC Credit Committee members to the existence of the Modification 0713S	Joint Office (RH)	Pending
PAN 02/12	19/12/19	251.11	Joint Office (RH) to send email out to let industry know PAC meeting on 20/1/20 is an open meeting if this is formally approved by PAC.	Joint Office (RH)	Pending