

**Record of Determinations: Panel Meeting 250 21 November 2019**

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Chair casting Vote	Determination Sought
		AG	DF	MB (MJ)	MJ	RF	SM (AG)	DL	GD	DM	RP	TS	AT	JA	NB	MS	
<b>0706R - Instances where Shippers can exit commercial agreements with an independent Supplier</b>	Modification 0706R deferred to Panel 19 December 2019 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Defer consideration of Request Modification 0706R until 19 December 2020?
<b>Modification 0707 - Introducing 'Performance Assurance Framework Administrator' as a new User type to the Data Permissions Matrix</b>	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	n/a	Does Modification 0707 impact a Significant Code Review?
	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Does 0707 meet the Self-Governance Criteria?
	Modification 0707S issued to Workgroup 0707S with a report to be presented to the February 2020 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Should Modification 0707S be issued to Workgroup 0707S with a report to be presented to the 16 February 2020 Modification Panel?
<b>Modification 0708 – Re-ordering of the UNC in advance of Faster Switching</b>	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	n/a	Does Modification 0708 impact a Significant Code Review?
	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Does 0708 meet the Self-Governance Criteria?
	Modification 0708s issued to Workgroup 0708s with a report to be presented to the 19 March 2020 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Should Modification 0708S be issued to Workgroup 0708S with a report to be presented to the 19 March 2020 Modification Panel?
<b>Modification 0709 – Amendment of references to Data Protection Act for GDPR</b>	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	n/a	Does Modification 0709 impact a Significant Code Review?
	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Does 0709 meet the Self-Governance Criteria?
	Is a Fast Track Self-Governance Modification - <i>unanimous vote for</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Does 0709S meet the Fast Track Self-Governance Criteria?

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		AG	DF	MB (MJ)	MJ	RF	SM (AG)	DL	GD	DM	RP	TS	AT	JA	NB	MS	
	Modification 0709S implemented unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Should Modification 0709S be implemented?
Modification 0710 – CDSP provision of Class 1 read service	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	n/a	Does Modification 0710 impact a Significant Code Review?
	Is NOT a Self-Governance Modification - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	X	X	n/a	Does 0710 meet the Self-Governance Criteria?
	Modification 0710S issued to Workgroup 0710S with a report to be presented to the 16 April 2020 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Should Modification 0710 be issued to Workgroup 0710 with a report to be presented to the 16 April 2020 Modification Panel?
Modification 0711 – Update of AUG Table to reflect new EUC bands	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	n/a	Does Modification 0711 impact a Significant Code Review?
	Is a Self-Governance Modification - <i>unanimous vote for</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Does 0711 meet the Self-Governance Criteria?
	Modification 0711S NOT issued to Workgroup 0711 with a report to be presented to the 20 February 2020 Panel - <i>majority vote against (8 out of 15)</i>	✓	✓	✓	✓	X	✓	X	X	X	X	✓	X	✓	X	X	Should Modification 0711S be issued to Workgroup 0711S with a report to be presented to the 16 January 2020 Modification Panel?
	Modification 0711S issued to Workgroup 0711S with a report to be presented to the 20 February 2020 Panel - <i>majority vote for (12 out of 14)</i>	X	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Should Modification 0711S be issued to Workgroup 0711S with a report to be presented to the 20 February 2020 Modification Panel?
0677R - Shipper and Supplier Theft of Gas Reporting Arrangements	Request 0677R to be closed - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Should Request 0677R be closed?
0692S - Automatic updates to Meter Read Frequency	Proceed to Consultation, with consultation closing out on 12 December 2019 and report to December Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Should Modification 0692S be issued to Consultation, closing on 12 December with a report at short notice to the December Panel?

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		AG	DF	MB (MJ)	MJ	RF	SM (AG)	DL	GD	DM	RP	TS	AT	JA	NB	MS	
0696 - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NEXAs	Modification 0696 returned to Workgroup 0696 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	Should Modification 0696 be returned to Workgroup 0696, with a report to the 20 February 2020 Panel?

In favour	Not in Favour	Not Present	No Vote Cast
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**UNC Modification Panel**

**Minutes of Meeting 250 held on**

**Thursday 21 November 2019**

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

**Attendees**

**Voting Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representatives</b>
A Green (AG), Total D Fittock (DF), Corona Energy M Jones (MJ), SSE R Fairholme (RF), Uniper	D Lond (DL), National Grid NTS G Dosanjh (GD), Cadent D Mitchell (DM), SGN R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks A Travell (AT), BUUK	J Atherton (JA), Citizen's Advice N Bradbury (NB), EIUG

**Non-Voting Members:**

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

**Also in Attendance:**

S Britton \*, Cornwall Insight;  
J Dixon, Ofgem (Items 250.14 and 250.7d);  
G Evans, Waters Wye Associates (250.13a and 250.7f only);  
P Garner (PG), Joint Office;  
W Goldwag (WGo), incoming UNC Panel Chair (from January 2020);  
R Hailes (RH), Panel Secretary;  
C Hooper \*, Contract Natural Gas (Item 250.7a only);  
A Jackson, IGT-UNC Panel Chair,  
A Raper (AR), Joint Office;  
E Rogers (ER), Xoserve; and  
C Whitehouse \*, Shell (Item 250.7b only);

*\*by teleconference*

## **Record of Discussions**

### **250.1 Introduction**

MS welcomed all attendees and then set out the order of business for the meeting noting that Item 250.13 Final Modification Report (FMR) 0696 would be considered as the first item on the agenda, given the Ofgem send back and that New Modification 0711 would be considered at the beginning of Item 250.7.

### **250.2 Note of any alternates attending meeting**

MJ for M Bellman

DM for H Chapman

AG for S Mulinganie

### **250.3 Record of Apologies for absence**

M Bellman

H Chapman

S Mulinganie

### **250.4 Minutes from the Last Meeting(s)**

Panel Members approved both sets of minutes from the last two meetings on 17 October and 01 November 2019.

### **250.5 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:** This work is ongoing at Governance Workgroup. RH updated Panel Members on the questions Workgroup are considering which highlight the issues which may contribute to a Panel decision on whether a Modification is a true alternative. The work has been discussed several times, the draft list of questions is given below and will be discussed at the next 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)

**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; no deficiencies have currently been identified. **Carried Forward.**

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

**Update:** PG highlighted the areas being considered for Management Information (MI) and confirm that Modification timescales continue to be examined at all Workgroups. She added that the Joint Office does actively consider timetables as part of the Critical friend process and do regularly question timetables at that point, though this is not visible to Panel. This topic was continued after discussion of Workgroup reporting dates, see Item 250.11 and additional action stemming from that discussion – recorded as **New Action PAN 04/11 Carried Forward.**

## **250.13 Final Modification Reports**

### **a) Modification 0696 - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs**

MS introduced the discussion of Modification 0696 in light of the Ofgem Direction Letter dated 12 November 2019. He noted that Ofgem's letter was clear and set out the issues they expected to be addressed in the Final Modification Report (FMR). He noted that Ofgem had also raised the issue of Panel and Workgroup assessment of the legal text. Before asking the Panel to discuss, MS invited LK to give some introductory remarks.

LK stated that Ofgem has not yet formed an opinion on implementation of Modification 0696 and confirmed that consideration has been limited to Modification 0696 alone as Panel has not determined that Modification 0701 was an alternative Modification.

Panel Members discussed the various roles of the Proposer, the Workgroup and Panel in ensuring a Final Modification Report has sufficient detail in it. PG confirmed the JO offers advice and comments as critical friend, some are received as valuable and taken on board, some are not incorporated into the final text to be raised as the Modification. The Modification is owned by the Proposer, Workgroup assesses this and the chair writes the Workgroup Report on behalf of the Workgroup, making sure all views at Workgroup are captured in the Workgroup Report.

PG noted that the Proposer had not been present at all Workgroup meetings, GE confirmed he had represented the Proposer at some of the Workgroup meetings. GE further questioned whether it was necessary for the Proposer to summarise the UNC obligations around this Modification, He confirmed the Legal Text forms the basis of the change. He confirmed SM as Proposer felt that the system changes had been covered.

MS thus asked Panel to consider whether the Modification itself needed a variation to incorporate more background detail. GE confirmed the Proposer was comfortable

with the Modification going back to Workgroup. Other Panel Members confirmed that the Workgroup should respond to what is given by the Proposer in the early sections of the Modification. This should be sufficient for the task and it was a general concern that requiring more background detail would be a barrier to raising Modifications. At Workgroups for some Modifications, RH confirmed Proposers had been tasked with writing a short number of paragraphs on a particular change to a process which Workgroup could respond to in the Workgroup Report.

Panel noted Ofgem's comments that the FMR needed to be accessible enough for stakeholders to comment. Panel also discussed the need for some understanding of the UNC in reading and commenting on Modifications, otherwise the decisions being taken will not be well thought out. It was agreed that this was a question of balance.

MS noted that SM as Proposer was not present at today's meeting and invited AG (as SM's voting alternate) to give some feedback from SM:

- Some disappointment that it took 37 days for Ofgem to send back the Modification, the SLA is 25 days.
- Points raised are quite small e.g. IT requirements. Some of were considered to be inconsequential.
- Noted Ofgem had not previously specified the number of Workgroups required.

TS confirmed Legal Text was not provided late, rather it was provided later on during the consultation. Panel knew the Legal Text still needed to be drafted at the time of the decision and therefore extended the consultation period to 20 days. Legal Text provision took the expected 15 days.

RF noted views from shipper constituents and his own views that it would have been more helpful for these quite basic points to have been raised by Ofgem in Workgroup. Other Panel Members agreed.

DL noted that the Proposer had been very keen that the Modification progressed very quickly. Panel considered this at the time and took a pragmatic approach. Panel had not expected the Legal Text to be complex, so allowed additional time for respondents to see the text during the consultation period.

RH asked to draw Panel's attention to the way in which the votes had been recorded at the Panel Meeting 247 on 19 September 2019. Panel reviewed the record for that meeting and concluded that there had been a mistake by RH, Panel Secretary in the way the votes had been recorded for D Lond, G Dosanjh, H Chapman, R Pomroy, T Saunders and John Cooper. RH apologised. They had been recorded as 'NV' No Vote whereas they should have been blank, as exercisable votes which were not in support of implementation of 0696. This did not however change the determination result that there was a majority vote in favour of recommending implementation of Modification 0696 (7 votes out of 13 exercisable votes).

In making this change, Panel Members noted the Defined Term "Panel Majority" in the Modification Rules 2.1 and confirmed that the Final Modification report implementation votes should record either:

- in favour or
- not present or
- be blank.

This is in accordance with the Modification Rules Paragraph 9.4(b). A note of this will be added to the Determinations Record Document alongside the correction for Panel Meeting 247 for Panel approval at the next meeting.

**New Action: PAN 01/11:** Joint Office (RH) 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.

In response to the Panel's discussion, LK stated that Ofgem was not generally comfortable in prescribing the number of Workgroups required for further consideration but summarised that Ofgem had to make decisions on the timeline in a pragmatic manner, given other activities underway. Ofgem had noted the speed in which the Modification was expedited through the process and was concerned that otherwise the Modification Report would be returned back to the Authority quicker than required.

He reiterated that minor changes are still changes to the rules and that Ofgem did not consider giving consultation respondents 3 days to consider Legal Text acceptable in this case.

Panel discussed whether a faster timeline to respond to the decision letter might be acceptable. Panel Members and LK agreed that if Panel is satisfied that Workgroup has answered the questions posed in the Ofgem Direction Letter faster than the Ofgem suggested 3 months, Panel would discuss at that stage whether it was appropriate to return the Final Modification Report (FMR) to the Authority early and deal with the Modification faster. LK noted that Panel sends the FMR to the Authority rather than Workgroup. Ofgem expected collective scrutiny to ensure these are of high quality. LK confirmed Ofgem would be present at Workgroup.

In terms of level of detail required, Ofgem as the Regulator for all consumers, expects that all consumers, who ultimately bear the costs, to be able, if they can and wish to do so, to scrutinise the proposed changes. However, LK clarified that Ofgem was not suggesting the reports should be 'dumbed down' in any way.



WGo offered, and MS agreed, that it may be helpful for her to liaise with Ofgem to draw out any lessons learned from this case, although it was noted that this was an unusual set of circumstances.

**New 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.

In terms of suggested next steps, PG took Panel through the presentation prepared by AR, noting that Workgroup would be asked to ensure it had:

- Appropriately clarified the current capacity booking arrangements, particularly with respect to:
  - Procedures
  - Responsibilities
  - Timing of events
  - Legal arrangements
- Included specific detail on the deficiencies in the current arrangements that led to the situation described in the proposal
- Clarified the effect of the Proposal on central systems, processes and procedures
- Assessed the proposed Legal Text.

PG confirmed the planned timeline as follows (notwithstanding the agreement reached above on the potential to return the report to Panel early):

- Workgroup Meetings x 3 - November, December 2019, January 2020
- Presentation of Workgroup Supplemental Report (included in the FMR) to February 2020 Panel, 15-day Consultation
- Presentation of Final Modification Report at short notice to March Panel.

GE confirmed he and SM (Proposer) had reviewed the Legal Text when it was finalised and had been satisfied that it met the intent of the Solution. He confirmed that if they had thought the changes suggested were material, they would have asked for it to be reviewed again by Workgroup. AT highlighted that the Proposer would now have very little time to prepare for Workgroup on 28 November. GE confirmed he would be available to present the Modification on behalf of the Proposer.

For Modification 0696, Members determined:

- That Modification 0696 should be referred back to Workgroup 0696 for further assessment, with a report by the 20 February 2020 Panel, by unanimous vote (14 out of 14).

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## 250.6 Consider Urgent Modifications

None

## 250.7 Consider New Non-Urgent Modifications

### a) Modification 0711 - Update of AUG Table to reflect new EUC bands

GE introduced the Modification which is proposed to update the Allocation of Unidentified Gas (AUG) Table set out in UNC TPD Section E Annex E-1 to include the new End User Categories (EUC). The change would split EUC Band 01 and EUC Band 02 into four categories:

- Non-Prepayment/Domestic
- Prepayment/Domestic
- Non-Prepayment Industrial and Commercial
- Pre-payment Industrial and Commercial

These were discussed as part of DSC Change Proposal XRN4665 *Creation of New End User Categories*. WAR bands are not included in this Modification. AT queried and ER clarified that when XRN4665 went to DSC Change Committee, the change to the AUG table was descoped from the release thus the change had not yet been agreed and a new DSC Change Proposal is now required alongside the Modification to deliver the system side of this change.

Panel discussed whether 1 month at Workgroup was enough time, taking into account Ofgem's recent letter on 0696 and the need for good governance. GE noted that there are processes which must happen in terms of system changes which occur after the UNC Modification process has finished.

There was some discussion as to which Gas Year the changes to the AUG table would apply from, given the system impacts and the lead time for system change releases.

Panel Members voted 7 votes for and 7 votes against on whether to issue the Modification to Workgroup, with a report by 16 January 2020 Panel (voting 7 out of 14 for).

In making a casting vote in accordance with the Modification Rules for Panel Majority Voting, MS stated he had considered carefully Panel discussion about the time required to properly consider the Modification and was concerned about rushing through the process which does not make for good governance. He stated it was better to bring the Workgroup Report back to the February 2020 Panel meeting and noted that Workgroup could bring the report back earlier if it felt the issues had been fully and properly addressed. Considering MS' casting vote, it became a majority vote against issuing the Modification to Workgroup, with a report by 16 January 2020 Panel (voting 8 out of 15 against).

As a result, Panel Members then requested to vote on issuing the Modification to Workgroup with a report by 20 February 2020 Panel.

For Modification 0711 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 0711S 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 0711S should be referred to Workgroup 0711S for assessment, with a report by the 20 February 2020 Panel, by majority vote (12 out of 14).

**b) Modification 0706R – Instances where Shippers can exit commercial agreements with an independent supplier**

CH introduced the Request Modification highlighting that UNC obligations sit with the **Shipper as presently suppliers are not required to accede to the UNC but there are restrictions on whether the Shipper can cease shipping under the UNC.**

DF stated he believed this was a commercial matter rather than a UNC matter. Other Panel Members has similar concerns.

Discussion centred around whether a change to any part of the UNC might be a solution to the problem outlined and if so, which part.

AG stated that the Proposer of the Request has identified an issue and the purpose of the Request Workgroup is to review it. Panel Members suggested sending the Request to Workgroup for some Pre-Modification engagement would be useful and that Panel could defer consideration to next month to allow for this. PG noted that the Joint Office would be happy to provide further Critical Friend input, if requested by the Proposer.

For Modification 0706R Members determined:

- Panel voted to defer consideration to 19 December 2019, by unanimous vote (14 out of 14).

**c) Modification 0707 – Introducing ‘Performance Assurance Framework Administrator’ as a new User type to the Data Permissions Matrix**

CW introduced the Modification which aims to add the Performance Assurance Framework Administrator (PAFA) to the Data Permissions Matrix (DPM) in the UNC. The PAFA is not currently specified as a User type in the DPM. Once this change has been made, the Proposer will then seek approval from the DSC Contract Management Committee for the data items relevant for the PAFA to conduct the work required under the Performance Assurance Framework.

Some Panel Members expressed concern at the potential for dual governance

over the PARR reports. AJ (in her role working as one of the team of the PAFA) was able to clarify that PARR reports are specified in code and any additional requests beyond that PAFA cannot get access to currently. Panel also noted overlaps between this Modification and Modification 0674 - *Performance Assurance Techniques and Controls*.

Panel agreed to a question for Workgroup and an Action for the Performance Assurance Committee (PAC).

**Workgroup Question:**

- Consideration of consequential impacts on the governance of the PARR reports

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

For Modification 0707 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 0707S be issued to Workgroup 0707S with a report by the 20 February 2020 Panel, by unanimous vote (14 out of 14).

**d) Modification 0708 - Re-ordering of the UNC in advance of Faster Switching**

TS introduced the Modification which aims to realign the UNC to match the re-ordering that is in the proposed Legal Text developed earlier in 2019 for the Ofgem Switching Programme and which was discussed at the Request Workgroup 0630R - *Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme*.

Reordering the text will assist in identifying changes in obligations as part of Faster Switching and should assist with maintaining the 'prepared version' and current version in unison. It should also allow companies to update any references in readiness (e.g. compliance schedules) and assist with identification of where new modification proposals impact the Switching SCR.

TS confirmed that consideration of the merit of the changes is for discussion, they are already 'en train'.

AT believed this would cause potentially considerable work for the IGT UNC. AJ confirmed there is a risk attached for the IGT UNC that there is some

considerable IGT impact of this Modification, though this would not be known until the Legal Text is finalised for this Modification.

MJ expressed concern that this Modification could upset flow of the current UNC text. TS assured Panel that Dentons will take into account the changes made and tidy up the flow of the code. PG confirmed the Joint Office has been identifying potential risks which can be shared at Workgroup. She also suggested the Modification could be assessed at Governance Workgroup.

RP expressed concern that the faster switching text currently has no official standing.

Panel discussed the length of potential Workgroup 0708 consideration and impact on the switching SCR.

JD explained the method of production of the legal text procured for Switching SCR. The UNC used 0630R to keep industry updated. The draft version of this Legal Text was reviewed as part of Request 0630R on 16 April 2019 and can be found here: <http://www.gasgovernance.co.uk/0630/160419>.

JD addressed Panel's concerns and gave an update on the Switching and Retail Code Consolidation Significant Code Review (SCR). Minutes for this can be found under **AOB 250.14 f)** below.

**Post Meeting Note:** The Slides are now available on the Panel meeting page

<http://www.gasgovernance.co.uk/panel/211119>

Retail code consolidation (RCC) will go live first then the Switching CSS (SCR) will go live shortly afterwards. The text produced for Switching is focused on Switching and JD did not feel that this Modification 0708 had any direct impact on the Switching SCR, but that Modification 0708 is intended to simplify the maintenance of the prevailing UNC and proposed SCR Modification text. He also said that some additions to the Switching Legal Text would be required, to give effect to some of the cross code working that is being proposed in the forthcoming consultation.

For Modification 0708 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 0708S be issued to Workgroup 0708S with a report by the 19 March 2020 Panel, by unanimous vote (14 out of 14).

**e) Modification 0709 – Amendment of references to Data Protection Act for GDPR**

RP introduced the Modification which aims to replace all Uniform Network Code (UNC) references to the Data Protection Act (1998) with references to the Data Protection Act (2018). This is to reflect that the Data Protection Act (2018) enacted the EU General Data Protection Regulations (2018) into UK law.

RP explained that an alternative option would be to remove all references to the Data Protection Act, though this could not be done as Fast Track Self-Governance Modification.

Panel Members agreed that this Modification was dealing with the “updating out of date references to other documents or paragraphs” and so would seem to meet the fast track criteria.

RP clarified that the UNC is governed by English and Welsh laws and jurisdiction is through English courts, in answer to a question from NGN regarding how this impacted UNC parties not based in the UK.

Brief discussion centred around whether UK aspects of GDPR are sufficient, with reference to what other codes have done or are doing.

Brief discussion around the fast track criteria led to Panel being satisfied that this Modification 0709 was suitable as it was correcting out of date references to legislation.

For Modification 0709 Members determined:

- It is not related to the Significant Code Review, by unanimous vote;
- The criteria for Self-Governance are met as this Modification 0709S 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);
- The criteria for fast track are met by this Modification 0709S, by unanimous vote (14 out of 14);
- That Modification 0709S be implemented, by unanimous vote (14 out of 14).

**f) Modification 0710 – CDSP provision of Class 1 read service**

RP introduced the Modification which aims address the risk of continued provision of the Class 1 Daily Meter Read service by DNOs becoming uneconomic and inefficient. The Proposal is to move to central provision by the CDSP, with the move taking place outside the winter period.

**Workgroup Questions:**

- Consideration of whether this Modification satisfies the self-governance criteria, specifically bearing in mind the effect on competition.
- Consideration of when this change should take effect.

For Modification 0710 Members determined:

- It is not related to the Significant Code Review, by unanimous vote (14 out of 14);
- The criteria for Self-Governance are not met as this Modification is likely to have a material effect on competition between Suppliers and Shippers, by unanimous vote (14 out of 14). Therefore Modification 0710 will be subject to Authority Direction;
- That Modification 0710 be issued to Workgroup 0710 with a report by the 16 April 2020 Panel, by unanimous vote (14 out of 14).

#### **250.8 Existing Modifications for Reconsideration**

None

#### **250.9 Consider Workgroup Issues**

None

#### **250.10 Workgroup Reports for Consideration**

a) **Modification 0677R – Shipper and Supplier Theft of Gas Reporting Arrangements**

Panel Members noted the recommendations in the Workgroup Report and discussed whether the list of recommendations is being taken forward, noting it is a decision for potential Proposers.

For Modification 0677R, Members determined:

- That Workgroup 0677R should be closed, by unanimous vote (14 out of 14).

b) **Modification 0692S – 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 12 December 2019, and therefore taken at short notice at 19 December 2019 Panel, by unanimous vote (14 out of 14).

#### **250.11 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:



<b>Modification</b>	<b>Current Panel reporting date</b>	<b>New Panel reporting date</b>	<b>Reason for changing Panel reporting date/Comments</b>
<b>0693R - Treatment of kWh error arising from statutory volume-energy conversion</b>	December 2019	March 2020	Workgroup request, data illustrating extent of the problem has yet to be received.
<b>0674 - Performance Assurance Techniques and Controls</b>	December 2019	March 2020	Requested by Workgroup chair and agreed by Proposer, Modification amended 19/11/19 and Legal Text not yet ready.
<b>0664 – Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4</b>	December 2019	February 2020	Requested by Workgroup chair and agreed by Proposer. Significant change to Modification via amended Modification to v8 06/11/19). Dentons and Xoserve discussing Modification solution with Proposer. Revised version of legal text awaited by Proposer. (Note SSE adopted Modification June 2019.)
<b>0674 - Performance Assurance Techniques and Controls</b>	December 2019	March 2020	Requested by Workgroup chair and agreed by Proposer. Workgroup meeting on 25/11/19 cancelled. Legal Text drafting underway.
<b>0691S - CDSP to convert Class 2, 3 or 4 meter points to Class 1 when G1.6.15 criteria are met</b>	December 2019	February 2020	Requested by Workgroup chair and agreed by Proposer. Modification amended 06/11/19. ROM preparation by Xoserve has led to lots of solution questions and Legal Text not yet ready.
<b>0699 - Incentivise Read Submission Performance using additional Charges</b>	January 2020	April 2020	Requested by Proposer and agreed by Workgroup Chair. Modification amended 21/11/19. Legal Text not yet ready.



Modification	Current Panel reporting date	New Panel reporting date	Reason for changing Panel reporting date/Comments
<b>0701 - Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs</b>	December 2019	March 2020	Requested by Workgroup chair and agreed by Proposer. Draft amended Modification 19/11/19. Workgroup impact assessment still underway. Legal Text not yet ready.

Members determined unanimously to request Legal Text for the following modification(s):

Modification
<b>0672 - Target, Measure and Reporting Product Class 4 Read Performance.</b>
<b>0690S - Reduce qualifying period for Class 1</b>
<b>0691S - CDSP to convert Class 2, 3 or 4 meter points to Class 1 when G1.6.15 criteria are met</b>
<b>0692S - Automatic updates to Meter Read Frequency</b>

Panel Members discussed the difficulty in assessing in advance how much time is needed to allow Workgroup sufficient time to complete a suitable assessment of a new Modification, ensuring a ROM can be received (if needed) and Legal Text can be drafted and reviewed (if needed). The steps in this process are all required but must be balanced against the need to ensure that the Modification progresses at a suitable pace. RF reminded Panel that this had been considered many times before and generally a Proposer initially underestimates the complexity at the point of raising the Modification. Panel agreed that a balance must be struck between swift and thorough. PG commented that through critical friend the Joint Office always tries to suggest a minimum of 3 months at Workgroup for a new Modification.

**New Action: PAN 04/11:** Joint Office (PG) to draft a straw man template/dashboard showing Management Information for Modifications in flight for Panel to consider in January 2020.

## 250.12 Consider Variation Requests

None discussed.

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### 250.13 Final Modification Reports

- a) See above

### 250.14 AOB

#### a) Panel Feedback

Panel Members agreed that feedback should be sought by the Joint Office twice a year.

#### b) Panel Member contact details

Discussion centred around whether the Joint Office could forward email address contact details for Panel Members to other Panel Members. MS questioned how stakeholders could get in touch with Panel members. PG noted that the Joint Office could and does forward such requests, acting in effect as a post box. More generally though, PG was cautious around this, after feedback from the recent Joint Office's Data Privacy review.

**New Action: PAN 05/11: Joint Office** (PG) to consider whether and under which circumstances Panel Member contact details can be made more widely available.

#### c) Cross code impact questions

RH presented two suggested new Panel questions for voting at both the beginning and towards the later part of a Modification's journey through the process. This is following challenge from a member of the IGT UNC Panel and as part of the Joint Office and IGT Panel Chair's ongoing liaison.

Panel Members agreed to use the two new questions. For a new Modification an additional question will be:

- **Does Modification 07xx have a Cross-Code Impact?**

This will be asked after the question on impact on an SCR.

For Modifications potentially going out to consultation, an additional question will be:

- **Have any Cross-Code impacts been identified?**

This will be asked after the standard question on issuing to consultation. As a result, an additional consultation question will be formulated as necessary.

NB asked if it might be useful to have a question on Parties affected? This was briefly considered, however Panel Members agreed that the first page of a Modification allows the Proposer to indicate their own view of who may be impacted, and Workgroup can edit this as part of Workgroup assessment if it is felt to be incorrect.

AJ thanked Panel for their updated questions and confirmed she would be asking to move the IGT-UNC Panel date to take place one week after the UNC Panel date to allow for closer interactions between outputs of the UNC Panel

and items for discussion at the IGT-UNC Panel. She also stated that there was a preference for more information from the Proposer of any UNC Modification which would state whether the Proposer wished their Modification to be applicable in both Codes.

**d) Update on Modification with Ofgem**

In relation to Modification 0678 - *Amendments to Gas Transmission Charging Regime* and alternatives, LK referred to Ofgem's update given at NTSCMF on 05 November (available here:

<http://www.gasgovernance.co.uk/ntscmf/051119>).

He noted that Ofgem would be consulting on potential implementation dates as part of any 'minded-to' position. He confirmed there was still an ongoing requirement for examination of exit arrangements.

In relation to Modification 0687 - *Creation of new charge to recover Last Resort Supply Payments*, LK acknowledged that a 'minded-to' was awaited from Ofgem. He stated that Ofgem is still undertaking the decision process because of interactions with the price cap and licence.

**e) Ofgem Update - BEIS/Ofgem Code governance review**

LK confirmed that Ofgem and BEIS were still on track for producing a Response document before Christmas 2019 and that a further consultation would take place in 2020.

**f) Ofgem Update - Switching and Retail Code Consolidation (SCR)**

JD took the Panel through slides which outlined the status of the Switching and Retail Code Consolidation (RCC) Significant Code Review (SCR).

**Post Meeting Note:** These slides are now available on the Panel meeting page

<http://www.gasgovernance.co.uk/panel/211119>

JD referred to items on slide 2 covering the scope of the RCC SCR, all of which had previously been subject to consultation this summer 2019. JD highlighted the Priority Services Register (PSR) as an area which may have consequential impacts upon the UNC if the current PSR provisions are consolidated under the Retail Energy Code (REC) as proposed.

He asked Panel to note the Timeline given in slide 4, showing the imminent launch of the SCR. Panel Members questioned and JD clarified that there will need to be a triage process for any new Modification coming before the Joint Office to assess impact on the RCC SCR. Beneficial changes should be allowed to progress.

JD highlighted that REC v1.1 would take effect from Spring 2020 and will include implementation of certain performance assurance aspects. Upon questioning, he clarified that interaction between REC Licence modifications and RIIO-2

licence changes, will initially be subject to separate informal consultation. These will then be brought together within a single statutory consultation in Autumn 2020, as both may impact upon the same licence conditions and both aim to take effect April 2021. He further highlighted that the soft baseline to RCC in Spring 2020 would mean the Code would still be on paper but would be 'held still' to enable systems build to progress; he was not expecting any additions to SPAA or MRA after this, as both codes will be winding down.

Further, JD noted that changes to UNC should still carry on; Panel will need to make sure interactions are flagged and there will be a need to carry out maintenance and any consequential changes to the Switching text currently held waiting by Ofgem. He noted that some impacts will not be obvious, e.g. use of defined term, creation of a data item. PG confirmed that the Joint Office and Ofgem will be working very closely together on this. There may be a need for discussions through Workgroup which Panel will be consulted on.

Referring to Slide 3, JD clarified that Ofgem intends to pursue the third SCR process option, whereby Ofgem leads an end-to-end process to develop the code modification(s) including provision of legal text.

JD drew attention to the potential for a joint consultation on SCR proposals, where a collaborative approach is planned to be taken for the seven different codes impacted, aiming to limit the administration burden for respondents and other parties. Formal Code Modifications (with legal text) will still be submitted to each Panel covering both SCRs, following a lengthy Ofgem consultation planned to complete by Autumn 2020. This will allow for the necessary code and accompanying licence modifications to be signed off early 2021.

#### **250.15 Date of Next Meeting**

- 10.30, Thursday 19 December 2019, at Elexon.

**Action Table (21 November 2019)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>PAN</b> 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)	<b>Carried Forward</b>
<b>PAN</b> 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)	<b>Carried Forward</b>
<b>PAN</b> 02/09	19/09/19	247.3	Xoserve to give an update to Distribution Workgroup (24/10/19) on actual Class 3 submissions/migration.	Xoserve (ER)	<b>Closed</b>
<b>PAN</b> 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)	<b>Carried Forward</b>

(Action table continued on next page)

(Action table continued from previous page)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>PAN</b> 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)	<b>Pending</b>
<b>PAN</b> 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	<b>Pending</b>
<b>PAN</b> 03/11	21/11/19	250.7c	PAC to consider the consequential impacts on the governance of the PARR reports of Modification 0707.	PAC	<b>Pending</b>
<b>PAN</b> 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)	<b>Pending</b>
<b>PAN</b> 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)	<b>Pending</b>