

Record of Determinations: Panel Meeting 242 16 May 2019

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Consumer Voting Member	Determination Sought	
		AG	DF	GW (SM)	RF	SM	PH	AC	DM	RP	TS	BR	JA	EP (AG)		
0692 Automatic updates to Meter Read Frequency	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	Is Modification related to Significant Code Review?
	Is a Self-Governance Modification - <i>majority vote in favour</i>	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does Modification 0686 satisfy Self-Governance criteria?
	Issued to Workgroup 0692S with a report to be presented to the 21 November 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be issued to Workgroup 0692S with a report presented to the 21 November Panel?
0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme	Workgroup 0630R to be closed - <i>majority vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	X	✓	✓	Should Workgroup 0630R be closed?	
0661R - Reconciliation and Imbalance Cash Out Prices	Workgroup 0661R to be closed - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Workgroup 0661R be closed?	
0669R - Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements	Request 0669R returned to Workgroup with a report presented by 18 July 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Request 0669R be returned to Workgroup with a report presented by 18 July 2019 Panel?	
0686 - Removal of the NTS Optional Commodity Rate with adequate notice	Proceed to Consultation, with consultation closing out on 07 June 2019 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0686 be issued to Consultation, closing on 07 June?	
0646R - Review of the Offtake Arrangements Document	Modification 0646R reporting date extended to 17 October 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0646R reporting date be extended to 17 October 2019 Panel?	
0681S - Improvements to the quality of the Conversion Factor values held on the Supply Point Register	Legal Text requestd - <i>unanimous vote if favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To Request Legal Text?	

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		AG	DF	GW (SM)	RF	SM	PH	AC	DM	RP	TS	BR	JA	EP (AG)	
0675S - Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow	To be considered at Short Notice - <i>unanimous vote against</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Final Modification Report be considered at Short Notice?
	New issues were identified during Consultation - <i>majority vote in favour</i>	✓	X	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	Were new issues identified during Consultation?
	Returned to Workgroup 0675S with a supplemental report to be presented to the 20 June 2019 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification be returned to Workgroup 0675S with a supplemental report presented to the 20 June Panel?
0680S - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union	Consideration of 0680S deferred - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should consideration of 0680S be deferred?
0684S - Amendment of the Data Permission Matrix to add Meter Asset Provider as a new User type	To be considered at Short Notice - <i>unanimous vote against</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Final Modification Report be considered at Short Notice?
	No new issues were identified during Consultation - <i>majority vote against</i>	X	X	X	X	X	X	X	X	X	✓	X	X	X	Were new issues identified during Consultation?
	Modification 0684S implemented - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0684S be implemented? (Yes votes only)

In favour	Not in Favour	No Vote Cast
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UNC Modification Panel

Minutes of the 242 Meeting held on Thursday 16 May 2019

at

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

Attendees

Voting Members:

Shipper Representatives	Transporter Representatives	Consumer Representatives
A Green (AG), Total and alternate for E Proffitt D Fittock* (DF), Corona Energy R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom and alternate for G Wood	P Hobbins (PH), National Grid NTS A Clasper (AC), Cadent D Mitchell (DM), SGN R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks B Rodrigues* (BR), BUUK	J Atherton (JA), Citizens Advice

Non-Voting Members:

Chairperson	Ofgem Representative	Independent Supplier Representative
M Shurmer (MS), Chair	L King* (LK)	

Also in Attendance:

D Hawkin (DH), TPA Solutions; E Rogers (ER), Xoserve; F Cottam* (FC), Xoserve; L Hellyer* (LH), Total; P Garner (PG), Joint Office; R Fletcher (BF), Secretary; R Hailes (RH), Joint Office and S Britton (SBr), Cornwall Insight.

**by teleconference*

Record of Discussions

Introduction

MS welcomed all attendees and then set out the order of business for the meeting.

242.1 Note of any alternates attending meeting

A Clasper for G Dosanjh, Cadent

A Green for E Proffitt, MEUC

B Rodrigues for J Cooper, BUUK

D Mitchell for H Chapman, SGN

P Hobbins for D Lond, National Grid NTS

S Mulinganie for G Wood, British Gas

It was noted that there was no alternate appointed for M Bellman.

242.2 Record of Apologies for absence

D Lond, National Grid NTS

E Proffitt, MEUC

G Dosanjh, Cadent

G Wood, British Gas

H Chapman, SGN

J Cooper, BUUK

M Bellman, ScottishPower

242.3 Minutes and Actions of the Last Meeting(s)

Following consideration Members then approved the minutes from 18 April 2019.

242.4 Consider Urgent Modifications

None presented.

241.5 Consider New Non-Urgent Modifications

a) Modification 0692 Automatic updates to Meter Read Frequency

LH introduced Modification 0692 and its aims, requesting the Modification be issued to Workgroup for assessment.

RP asked if the intention is to change the current definition for Smart Meter installations from monthly read to Monthly Read as a defined term and a minimum requirement. LH advised the Modification is requiring parties to meet meter reading obligations where remote meter reading technology is available.

TS agreed with RP that Monthly Read was not a requirement previously when considering previous Modifications on this subject. It was noted that previously "*Modification 0638V - Mandate monthly read submission for Smart and AMR sites from 01 April 2018*" had established a meter reading

frequency based on technology in compliance with CMA remedies, but Monthly Read was not a requirement as this would establish a Must Read process.

SM understood the concerns about the potential impacts on the Must Read process, however he felt this was a natural evolution from Modification 0638V establishing a set requirements and then being reinforced by this Modification.

Workgroup Questions:

- What is the driver for a move from “monthly read” to “Monthly Read” (see Modification 0638V for background), will this make a difference to performance?
- Consider materiality for self-governance

For Modification 0692 Members determined:

- It is not related to the Significant Code Review, by unanimous vote;
- The criteria for Self-Governance are met as this Modification is not likely to have a material impact on the contractual arrangements between Transporters, Shippers, Suppliers and meter reading agencies by majority vote;
- That Modification 0692S is issued to Workgroup 0692S with a Report presented to the 21 November 2019 Panel, by unanimous vote.

242.6 Existing Modifications for Reconsideration

- a) None

242.7 Consider Workgroup Issues

- a) None

242.8 Workgroup Reports for Consideration

- a) **Request 0630R - Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme**

Members noted that the Workgroup had highlighted that there were likely to be changes required to the UNC Modification process to take account of the Code changes approved due to the Switching SCR from its approved date to actual system implementation date. This would require monitoring and the management of conflicts in the development of Legal Text for a significant period of time.

SM noted that there were a number of questions raised on the Legal Text walk through meeting for this Workgroup, how would these be addressed and where are these issues being managed/discussed.

RP noted that Dentons have updated the Legal Text based on comments received from Workgroup and the Switching Programme. The Legal Text will

be submitted to Ofgem who will open a consultation on all the impacted Codes Legal Text. Industry parties will then be able to comment on the proposed Legal Text based on the full end to end process. RP noted that there were still some significant issues to be resolved such as shared sites.

TS noted how the proposed version of the Legal Text has restructured Code and that this should be time to consider if a new baselined version should be implemented as part of this process.

SM challenged whether the Legal Text is fit for purpose before it has been fully reviewed and tested against industry processes.

PG noted the concerns around the Legal Text and how its continued management would be effected, this would be a significant issue for the Joint Office to manage.

It was noted that any comments on the Legal Text should be sent Cadent as they are coordinating the delivery of Legal Text on behalf of Transporters. However, as advised the industry would be able to respond to the Ofgem consultation.

New Action PAN 05/01: AC to provide an update on the latest version of Legal Text provided to Ofgem and advise of any issues or conflicts identified in then Legal Text.

BR challenged closing the Workgroup as IGT UNC would require to be updated and they would need to see the consequential impacts resulting from changes to UNC. RP advised at the Workgroup wouldn't be able to amend the Legal Text as it would be submitted to Ofgem under direction to support the SCR.

PG asked if an update could be provided at the June Panel updates made following the workgroup meeting and the timeline for submission to Ofgem.

BR asked how communications between Codes were being managed, particularly IGT UNC. RP advised that Gemserv have been invited and included in Workgroup 630R meetings to review the Legal Text and that they were following their own process to provide Legal Text to Ofgem.

For Request 0630R, Members determined:

- The Workgroup should be closed, by majority vote.

b) Request 0661R - Reconciliation and Imbalance Cash Out Prices

Members noted the recommendations made by the Workgroup.

For Request 0661R, Members determined:

- The Workgroup should be closed, by unanimous vote.

c) Request 0669R - Review of the Gas Deficit Warning (GDW) and Margins Notice (MN) Arrangements

Members noted that the Workgroup were requesting additional time to conclude the report.

MS asked if the reporting date was realistic and achievable. PH suggested that August would be challenging for a recommended solution, however, they intended to bring forward a draft Modification for consideration by the Workgroup soon.

SM challenged the visibility of a recommendation or implementation options; can a Modification be brought forward and raised at Panel so that it is highlighted to the industry rather than discussing drafts with a smaller audience. PH advised it is just the margins issue to be resolved and the aim is to bring forward a Modification for July.

For Request 0669R, Members determined:

- It should be referred back to Workgroup 0669R for further assessment, with a report by the 18 July 2019 Panel, by unanimous vote.

d) Modification 0686 - Removal of the NTS Optional Commodity Rate with adequate notice

Members noted the content of the Workgroup Report.

For Modification 0686, Members determined:

- It should be issued to consultation with a close out date of 07 June 2019, by unanimous vote.

242.9 Consideration of Workgroup Reporting Dates and Legal Text Requests

Members determined unanimously to extend the following Workgroup reporting date(s):

Workgroup	New Reporting Date
0646R - Review of the Offtake Arrangements Document	October 2019

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

Modification
0681S - Improvements to the quality of the Conversion Factor values held on the Supply Point Register

242.10 Consider Variation Requests

None discussed.

242.11 Final Modification Reports

a) Modification 0675S - Enabling changes to the BBL Interconnection Agreement to facilitate physical reverse flow

SM noted a number of comments provided in representations concerning competition and potential impacts on other parties and that these might need to be considered by Workgroup. PH noted these concerns, but argued that they have been captured in the Workgroup previously and are not new issues.

SM noted that the parties were also commenting on the late submission of information and that they had not been approached about potential changes to their own arrangements. RP agreed and noted that the parties concerned were advised to raise the issues in representations following discussion at Workgroup.

PH asked Members to note that the request for short notice was based on a customer investment impact. SM challenged the consideration of issues should not be based on one customer investment decision and should be for the benefit of the industry.

RH asked if these views had been captured in the Final Modification Report, what would the value be in returning the FMR to Workgroup.

RP noted the concerns raised by IUK, and asked if these could be addressed bilaterally, if not can this Modification be implemented without further consideration of these issues.

PH noted that there is a difference of opinion between IUK and National Grid and it was not National Grids view that the connection cannot proceed without IUK issues being addressed.

MS asked for an Ofgem view on Self Governance. LK noted the concerns but wanted to understand if all of the issues had been captured in the Final Modification Report to ensure that if the FMR is sent to them for decision they do not need to send it back for further work.

Points for consideration:

- Consider and respond to each of the points raised in consultation representations;
- Consider materiality of the Modification and Self-Governance status.

Member then determined:

- to be considered at Short Notice, by unanimous vote;
- that there were new issues requiring a view from Workgroup, by majority vote;
- That Modification 0675S is returned to Workgroup 0675S with a

Report to be presented to the 20 June Panel, by unanimous vote.

b) Modification 0680S - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union

PH advised that due the uncertainties around BREXIT and being consistent with the previous month, he was requesting Panel to defer consideration of the Final Modification Report until there was more certainty on a potential date for a no deal scenario implementation.

Member then determined:

- that consideration of the Final Modification Report should be deferred until the 20 June 2019 Panel.

c) Modification 0684S - Amendment of the Data Permission Matrix to add Meter Asset Provider as a new User type

Panel discussion: see the Final Modification Report published at: <https://www.gasgovernance.co.uk/0684>

Member then determined:

- to be considered at Short Notice, by unanimous vote;
- that there were no new issues requiring a view from Workgroup, by majority vote;
- to implement of Modification 0684S, by unanimous vote.

242.12 AOB

a) Statement of Modification Panel Member Behaviour

PG provided an update on the responses received so far, confirming less than half of Members have signed the statement.

SM asked if email copies were suitable were acceptable. PG confirmed that email responses were acceptable and agreed to email out to those Panel Members and Alternates who had not yet signed-up to ask them to do so.

b) UNC User Representative Appointment Process

BF provided an update of the proposed changes to the User Representative Appointment Process. He requested Members to note that this version included proposed changes requested by PAC.

BF questioned the approval process as this is not an approved UNC document, but a process adopted from the Gas Forum for use by the Joint Office.

LK asked what can be done to increase the diversity of nominees in terms of Panel and Committees, expressing a view that Ofgem wanted to see clear statements supporting the diversity of Panels and Committees.

SM wanted to understand why the Panel isn't considered to be diverse from a Shipper perspective, Panel is not dominated by big 6 representatives.

LK advised that Codes in general were being challenged to seek ways to increase the diversity of Panel and Committee individual members not necessarily organisation diversity.

AG wanted to see that SPoCs should be rolled forward unless the parties notified a change to the Joint Office. This was noted as being included although the Joint Office would seek nominations but roll forward the current SPoC unless advised otherwise. It was not that mid-year changes to SPoCs would be included.

Members agreed the UNC User Representative Appointment Process should be implemented subject to the PAC changes being approved by the UNCC.

c) UNC Consumer Representative Nomination Process

BF provided an overview of the proposed process for selecting nominees for the role of Consumer Representative.

BF asked Members to note that should all UNC parties be allowed to nominate or just Shippers for example?

SM wanted to see all parties being allowed to nominate a party as a consumer representative and perhaps advertisement in relevant media should be considered. AG agreed, although he was keen for the process not to be too onerous to ensure parties are not discouraged from applying.

LK advised that as with the previous process, consideration should be given to supporting the diversity of applicants. PG suggested that LK provide supporting text for the document so that it can be included.

Member agreed that SPoCs were an unnecessary requirement for this process and the Consumer Representative should be sought from the widest possible source.

d) Self-Governance Criteria – Guidance

BF advised that the Panel guidance note for Self-Governance criteria has been included for its annual review.

TS suggested there is a need for a wider review of the Self-Governance criteria and that the Governance Workgroup should be given the task.

The Governance Workgroup should be requested to provide recommendations for amendment and include ways to resolve issues where the governance status is forced to fit the model or has a licence impact.

e) Provision of Legal Text for Modifications 0688 and 0689

RP noted that Legal Text is allocated on an agreed model and process and that sometimes this creates a continuity issue with Modifications that are

similar.

SM suggested this could be resolved by the adoption of Central Legal Text provision.

f) The use of Consultants or CDSP as proposer representatives

TS questioned the use of consultants or the CDSP to represent proposers of “sponsored” Modifications in particular, what controls should be put in place to ensure the proposer is fully involved in the process. PG noted the concern but if the consultant is nominated as proposer representative then they are entitled to lead discussions or submit amendments to the Modification as needed.

SM has sympathy but considers the consultant to be the agent or representative of the proposer and subject to their control and employment rules. It should not be for the UNC to dictate these rules where the consultant is the agent of a UNC party.

SM felt that it should not be down to the Joint Office to manage consultants working on behalf of UNC parties, the proposer takes the risk that their nominated representative is effective in managing the process for them.

Where the CDSP is seeking proposers and then acting as their representative might cause a conflict if the change is not fully supported across the industry, therefore they need to take account of this before agreeing to represent a UNC party.

DF asked if the issues could be discussed at Governance Workgroup and then from a wider industry perspective at CACoP to seek a consistent approach.

g) Submission of a Short Notice Request to a Panel prior to 20 June.

FC requested on behalf of M Bellman, agreement to submit a Request so that it could be progressed prior to 20 June Panel. The Request is to review the use of standard and site-specific correction factors.

PG noted that the Joint Office had discouraged submission to the 23 May extra-ordinary Panel as this meeting is focused on FMR 0678. Members endorsed this view that 23 May meeting should be for FMR 0678 only.

Members noted the request for a short extra meeting but were not willing to agree to this request.

h) Modification 0678 update

MS reminded Members that an extraordinary Panel has been arranged for 23 May to discuss FMR 0678. He noted that there will be significant industry scrutiny concerning the Panel meeting and the views being expressed for inclusion in the FMR. The expectation is that Members attending will have a clear understanding of the FMR (including alternatives) and consultation representations.

MS advised that each Members should attend with a clear understanding as to why or why not you are supporting for each Modification and a view as to furthering the Relevant Objectives - preparation is key.

SM advised that as he will be on leave and due to the complexity of the FMR and representations, he cannot put in place an alternate for the meeting as they are unlikely to be able to add value to the process.

AG advised that for different reasons he was in a similar position in that he cannot attend and would have to consider carefully if an alternate would be suitable for this meeting.

PG noted Members concerns about the process to be adopted and the role of alternates in the meeting. However, Ofgem were expecting Panel to deliver a good quality FMR with reasons why Modifications are supported or not.

In summary, 37 representations had been received. However, 6 of these were received after 5pm on the consultation closing day. Although the late representations are published, it is practice to exclude the summarisation of late representations in the FMR, particularly where for such a complex and time limited report. However, at the request of Ofgem, the late representations had been included in the FMR, although it is not anticipated that the Joint Office will continue with this practice in future.

Members supported the approach that late representations should not be included in the FMR in future, particularly where this might delay publication of the FMR.

PG advised that Ofgem would be expecting Panel to focus on Relevant Objectives for each Modification in the FMR, both from an individual and group of Modifications to ensure there is clear demonstration of furthering the appropriate Relevant Objectives.

PG asked Members to note that they should provide views in terms of their role as Panel Members and to take account of the industry benefit and not to overlay this with an individual organisations commercial position – clear commentary is key to completing the FMR.

SM asked if he is to provide a view on the way he has voted against each Modification, how will the voting work in practice?

RH summarised that voting will be broken down into should a Modification be implemented, then votes for preference against each Modification.

MS agreed with the view that the Members need to be prepared to provide a view on their voting position so that it can be recorded and the reasons why against the Relevant Objectives.

RF wanted to ensure the usual process is adopted, an additional process should not be invented for this Modification.

LK agreed that the views of Panel were paramount and that Ofgem's view had not changed in terms of its expected approach from Members and for them to justify why Modifications should be implemented and the preference.

MS clarified that he would not be submitting votes on behalf of Members

who could not attend, this is the reason for nominating two alternates and Members should avail themselves of this process. He felt this was consistent with his predecessor and the only exception he was willing to make was to take votes on behalf of the consumer representatives.

SM requested a copy of the Panel questions in advance of the meeting as this will help formulate statements ahead of the meeting. PG advised that the Panel questions would be circulated ahead of the meeting.

MS noted that the voting would be a similar approach to that followed for Modification 0621 and that a preference vote would be recorded against each alternative modification. LK questioned if the preference voting could serve a more meaningful purpose in terms of being able to identify the more likely Modifications for implementation compared to that used for Modification 0621.

RP disagreed as this would be against the rules and might discount Modifications which the Authority might want to consider for implementation. LK clarified there was no intention to operate outside of the Modification Rules, however, there is an expectation on Panel previously outlined by Ofgem to identify and put forward compliant modifications.

SM wanted to be sure that Panel Members can't be sued as individuals for undertaking their role as Members. Therefore, he would not support any approach different to the rules.

SM questioned the consideration of a FMR of such complexity with such a limited time to review the representations and FMR. AG was concerned the alternates will have a difficult job to engage in the process and that they might not be able to vote or have to abstain in situations where instructions seem to be contrary to the rules, therefore any approach should be consistent with previous practice.

RH advised the timeline for producing Final Modification Report 0678 and the likely steps Panel would be requested to follow at the extraordinary meeting on 23 May.

242.13 Date of Next Meeting

- 10:30, Thursday 23 May 2019, at Elexon.
(Final Modification Report 0678 only)
- 10.30, Thursday 20 June 2019, at Elexon

Action Table (16 May 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
PAN 01/05	16/05/19		AC to provide an update on the latest version of Legal Text provided to Ofgem and advise of any issues or conflicts identified in then Legal Text.	AC Cadent	Pending