

Record of Determinations: Panel Meeting 247 19 September 2019

Modification	Vote Outcome	Shipper Voting Members						Transporter 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	SH	EP (SM)	
0702 - Introducing 'Research Body' as a new User type to the Data Permissions Matrix and UNC TPD Section V5	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	NP	X	Does Modification 0702 impact a Significant Code Review?
	Is a Self-Governance Modification - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓	Does 0702 meet the Self-Governance Criteria?
	Modification 0702S issued to Workgroup 0702S with a report to be presented to the 16 January 2020 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓	Should Modification 0702S be issued to Workgroup 0702S with a report to be presented to the 16 January 2020 Modification Panel?
0697 - Further Realising the Benefit of the Data Permissions Matrix and UNC Consistency Review	Not related to the Significant Code Review - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	NP	X	Does Modification 0697 impact a Significant Code Review?
	Is a Self-Governance Modification - <i>majority vote in favour (12 votes out of 13)</i>	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	NP	✓	Does 0697 meet the Self-Governance Criteria?
	Modification 0697S issued to Workgroup 0697S with a report to be presented to the 19 March 2020 Panel - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓	Should Modification 0697 be issued to Workgroup 0697 with a report to be presented to the 19 March 2020 Modification Panel?
0672 – Target, Measure and Reporting Product Class 4 Read Performance	Returned to Workgroup 0672, reporting date extended to 19 Decemetr 2019 Panel - <i>majority vote in favour (12 votes out of 13)</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	NP	✓	Should Modification 0672 be returned to Workgroup 0672 with a report to be presented to the XXXX Modification Panel?
0695S – Obligations on Shippers to pass Transporter compensation payments on to consumers, via Suppliers	Proceed to Consultation, with consultation closing out on 10 October 2019 - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓	Should Modification 0695S be issued to Consultation, closing on 10 October?
0680S - UNC Changes as a Consequence of 'no deal' United Kingdom Exit from the European Union	Consideration of Modification 0680S deferred to 17 October Panel - <i>unanimous vote in favo ur</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓	Should consideration of Modification 0680S be deferred to the 17 October Panel?
0687– Creation of new charge to recover Last Resort Supply Payments	No new issues were identified during Consultation - <i>majority vote in favour (10 out of 13)</i>	X	X	X	X	X	X	X	✓	X	✓	✓	X	NP	X	Were any new issues identified during the Consultation for 0687?
	Modification 0687 recommended for implementation - <i>unanimous vote in favour</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	✓	Should Modification 0687 be implemented? ( Yes votes only)
0696– Addressing inequities between	No new issues were identified during Consultation - <i>unanimous vote against</i>	X	X	X	X	X	X	X	X	X	X	X	X	NP	X	Were any new issues identified during the Consultation for 0696?

Record of Determinations: Panel Meeting 247 19 September 2019

Modification	Vote Outcome	Shipper Voting Members						Transporter 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	SH	EP (SM)	
Capacity booking under the UNC and arrangements set out in relevant NEXAs	Modification 0696 recommended for implementation - <i>majority vote in favour</i>	✓	✓	✓	✓	✓	✓	NV	NV	NV	NV	NV	NV	NP	✓	Should Modification 0696 be implemented? ( Yes votes only)

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

**UNC Modification Panel**

**Minutes of the 247 Meeting held on**

**Thursday 19 September 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 Bellman (MB), ScottishPower M Jones (MJ), SSE R Fairholme (RF), Uniper S Mulinganie (SM)*, Gazprom	D Lond (DL), National Grid NTS G Dosanjh (GD), Cadent H Chapman (HC)*, SGN R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks J Cooper (JC)*, BUUK	

**Non-Voting Members:**

<b>Chairperson</b>	<b>Ofgem Representative</b>	<b>Independent Supplier Representative</b>
M Shurmer (MS), Chair	L King (LK)	

**Also in Attendance:**

E Rogers (ER), Xoserve; K Jones (KJ), Joint Office; L O'Shaughnessy (LO'S), Joint Office; O Chapman (OC)\*, Centrica; P Everett (PE), Corona Energy; P Garner (PG), Joint Office; R Hailes (RH), Panel Secretary; and S Britton, Cornwall Insight.

*\*by teleconference*

**Record of Discussions**

**Introduction**

MS welcomed all attendees and then set out the order of business for the meeting. PG introduced LO'S who had joined the Joint Office team as Workgroup Manager and highlighted that Maiyatree Bhomwick-Jewkes had joined as Workgroup Co-ordinator. Chris Shanley is leaving at the end of September. MS noted that this was EP's last Panel Meeting, although he was not present, and recorded a note of thanks from all Panel Member's for his contributions to the work of Panel.

**247.1 Note of any alternates attending meeting**

SM for EP

## 247.2 Record of Apologies for absence

Joel Atherton

Stew Horne

## 247.3 Minutes and Actions from the Last Meeting(s)

Panel Members discussed the minutes from 18 July 2019 meeting in reference to Modification 0695S – Obligations on Shippers to pass Transporter compensation payments on to consumers, via Suppliers which was due to be discussed at this meeting in item 247.8 Workgroup Reports for Consideration.

The Workgroup Report for 0695S had not been presented to the August Panel meeting due to a Joint Office administrative error as it was not clear that the Workgroup was reporting a month early.

Panel agreed to consider approval of the minutes at the next Panel meeting, subject to discussions between the Joint Office and TS in the meantime. A change marked version of the minutes from the August Panel will be published in advance of the meeting.

**Action PAN 01/07:** Code Administrator to collate information on all Modifications at both UIG and Distribution Workgroups with views from Workgroup as to which could be prioritised, for discussion at August 2019 Panel.

**Update:** RH gave an update on the work undertaken primarily by Alan Raper, supported by some initial work by TS. In summary there are many UIG related modifications and two areas with Modifications drafted by Xoserve, which have not yet been adopted and raised as new Modifications. Several of the existing Modifications act to push Supply Points from one Class to another; notably 0700 addressing the migration into Class 3 and 0664 moving them out again. PG noted that the rules do not allow Modifications to be prioritised. It was noted, however, that Modifications are considered according to their panel reporting dates; Panel can ask for Modifications to report earlier, or likewise later. RH agreed to share the information gathered with Panel. **Action Closed.**

**Post Panel Update:** This material can be found on the October Panel meeting webpage: <http://www.gasgovernance.co.uk/panel/171019>

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

**Update:** RH highlighted that this work has begun at Governance workgroup with the reasoning behind various Alternative Modifications being so deemed gathered from Panel Minutes and used as a starting point for discussions. The material developed to date can be found here: <http://www.gasgovernance.co.uk/gov/020919>. This work is ongoing at Governance Workgroup. **Carried Forward.**

## 247.4 Consider Urgent Modifications

ER gave an update on the progress of systems implementation of Urgent Modification 0700 which will be implemented in UNC on 28 September. MS noted

that the aim of discussions at Panel are to decide if there are any other issues which need to be addressed and if so, how. ER highlighted that the UNC Validation Rules are to be updated and will be out of date for a short period until approval for their change is sought at the October UNCC meeting.

The systems change has passed User Acceptance Testing and no constraints are expected. RP queried the number of migrations. SM noted that from the update yesterday at DSC Contract Management Committee that the migration volumes are in line with expectations.

Panel discussed potential areas for further work and agreed to ask Distribution Workgroup to look into this at short notice next week with a report back to Panel in October.

**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.

**Action PAN 02/09:** Xoserve to give an update to Distribution Workgroup (24/10/19) on actual Class 3 submissions/migration.

## 247.5 Consider New Non-Urgent Modifications

### a) **Modification 0702 – Introducing ‘Research Body’ as a new User type to the Data Permissions Matrix and UNC TPD Section V5**

MS noted that this Modification had been split out from Modification 0697, which is a later agenda item 247.6 a).

PG suggested that the Legal Text allocation be given to Cadent as it is related to Modification 0697; this was approved by Panel Members and the allocation would be deemed a swap in terms of the rotating provision of Legal Text.

ER introduced the Modification, noting that at the July Panel Modification 0697 was considered which would essentially clean-up UNC Section V5 and add new User Type ‘Research Body’. Panel had suggested splitting out the two issues and so Modification 0702 was raised to propose adding “Research Body” as a new user type. Modification 0649 *Update to UNC to formalise the Data Permissions Matrix* – allowed for data items provided and set out the governance on new data.

In line with Government’s Energy Data Taskforce<sup>1</sup> recommendations, the new User Type ‘Research Body’ would be an organisation that would promote innovation, operational excellence, efficiency and transparency and wouldn’t be acting in a market role. The organisation would act to benefit consumers, businesses, government and society as a whole.

ER noted that DSC Contract Management Committee would manage access requests and timings/end dates and any parameters required.

RP observed that this was not clear in the Modification; ER agreed to address

---

<sup>1</sup> <https://www.gov.uk/government/groups/energy-data-taskforce>

this.

ER further noted that a specific objective/purpose for the need for the data would be required, with the timing and a specific end date. Access would be revoked once the purpose was fulfilled.

The Modification is to enable data sharing permissions only and therefore an administrative enabler only.

SM noted the consequential risk of inappropriate action by the Research Body, noting that the Modification may need scrutiny as to whether it should be under Authority Direction procedures. Panel agreed this could be addressed later.

PG asked whether any of the other codes have Research Body included as a User Type and whether lessons could be learnt from this.

RP suggested the definition of Research Body should be made very clear; Panel agreed a question for the Workgroup.

Panel also had a discussion about whether this Modification met the self-governance criteria. HC noted that the new definition felt that it had a wider impact. TS agreed but noted that it did not find any category within the self-governance criteria such that it would require Authority direction.

**Workgroup Question:**

- Consideration of how to make the definition of Research Body limited but effective, seeking input from Ofgem.

For Modification 0702 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 gas consumers, competition, pipeline operations, security of supply, governance procedures and does not discriminate between code parties, by unanimous vote;
- That Modification 0702S be issued to Workgroup 0702S with a report by the January 2020 Panel, by unanimous vote.

## **247.6 Existing Modifications for Reconsideration**

### **a) Modification 0697 – Further Realising the Benefit of the Data Permissions Matrix and UNC Consistency Review**

ER introduced the Modification, again noting that it had previously been to Panel in July 2019 with two areas of work but was now being presented separately to new Modification 0702, see item 247.5 a) above. MS noted that a tracked change version had been published by the Joint Office. ER noted that originally Modification 0649S – “Update to UNC to formalise the Data Permission Matrix” – had been developed to formalise the Data Permission Matrix within the UNC. This Modification 0697 now aims to align UNC TPD Section V5 and the Data Permissions Matrix (DPM) and to rationalise UNC TPD Section V5 so that the

data available is specified in the Data Permissions Matrix, rather than the UNC itself. The associated changes to the Data Permissions Matrix will be made in parallel to this change.

Panel discussed at length whether this Modification should follow self-governance procedures and despite eventually coming to its own conclusion in determinations, agreed to ask Workgroup to consider this as the Modification is being assessed in Workgroup.

**Workgroup Question:**

- Consider whether this Modification should follow self-governance or Authority Direction procedures and why.

For Modification 0697 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 gas consumers, competition, pipeline operations, security of supply, governance procedures and is does not discriminate between code parties, by majority vote (12 votes out of 13);
- That Modification 0697S be issued to Workgroup 0697S with a report by the 19 March 2020 Panel, by unanimous vote.

#### **247.7 Consider Workgroup Issues**

None

#### **247.8 Workgroup Reports for Consideration**

**a) Modification 0672 – Target, Measure and Reporting Product Class 4 Read Performance**

Members noted the recommendations in the Workgroup Report and the significant work remaining.

GD noted that Legal Text had previously been requested for a previous version of the Modification. Since the Modification has been significantly amended, Panel agreed to revoke the request for Legal Text ahead of further development of the Modification.

Panel discussed whether the reporting timeline should be extended and for how long, reaching only a majority agreement.

For Modification 0672, Members determined:

- That Workgroup 0672 should be referred back to Workgroup 0672 for further assessment, with a report by the 19 December 2019 Panel, by majority vote (12 out of 13).

**b) Modification 0695S – Obligations on Shippers to pass Transporter compensation payments on to consumers, via Suppliers**

Panel Members noted the Workgroup Report recommendations.

Panel noted the amended Legal Text removing the word Registered from the phrase Registered Shipper.

For Modification 0695S, Members determined:

- It should be issued to consultation with a close out date of 10 October 2019, by unanimous vote.

**247.9 Consideration of Workgroup Reporting Dates and Legal Text Requests**

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

Workgroup	New Reporting Date
0662 - Revenue Recovery at Combined ASEPs	January 2020
0672 - Target, Measure and Reporting Product Class 4 Read Performance	December 2019
0690S - Reduce qualifying period for Class 1	December 2019
0691S - CDSP to convert Class 3 or 4 meter points to Class 1 when G1.6.15 criteria are met	December 2019

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

Modification
(none)

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

Modification
0672 - Target, Measure and Reporting Product Class 4 Read Performance.

Panel discussed potential congestion in Workgroups and whether Modifications were progressing at a satisfactory pace.

PG highlighted that she was pursuing a number of improvements to the data presented to Panel, showing the status of each Modification in the process and would bring a draft of these to Panel in the New Year.

**Action Pan 0309:** Code Administrator (Joint Office) to discuss at each workgroup whether timescales for each Modification are achievable.

#### **247.10 Consider Variation Requests**

None discussed.

#### **247.11 Final Modification Reports**

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

DL advised that, as with previous months, Panel was being requested to defer consideration of the Final Modification Report until there was more certainty on a potential date for a no deal scenario implementation.

Panel discussed the potential requirement to hold an extraordinary Panel meeting by teleconference on Friday 01 November 2019 to consider 0680S and any variation required. LK noted that other codes are convening meetings on this date. Panel Members will be contacted by the Joint Office to help ensure quoracy for this meeting in line with Modification Rules 5.5.1.

Panel Members then determined:

- that consideration of the Final Modification Report should be deferred until the 17 October 2019 Panel, by unanimous vote.

##### **b) Modification 0687 – Creation of new charge to recover Last Resort Supply Payments**

Panel discussion: see the Final Modification Report published at:  
<https://www.gasgovernance.co.uk/0687>

Panel Members then determined:

- that there were no new issues requiring a view from Workgroup, by majority vote (10 out of 13);
- to recommend implementation of Modification 0687, by unanimous vote.

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

Panel discussion: see the Final Modification Report published at:  
<https://www.gasgovernance.co.uk/0696>

#### **Additional Panel Discussion**

LK expressed Ofgem's disappointment around the governance for Modification 0696. In particular, the fact that, despite Panel extending the consultation period, Legal Text arrived during the latter part of the consultation period, giving only 4 days for industry to review the Legal Text. LK referred to Panel's own recent review of the UNC Legal Text Guidance Document (this can be found here:

<http://www.gasgovernance.co.uk/gendocs> ), noting that the document sets out how Panel should review Legal Text in line with the Code Administration Code of Practice (CACOP) Principle 9:

*“Legal text will be produced and consulted upon prior to a Modification being recommended for approval”.*

In addition LK reminded Panel of Ofgem’s view, given at last Panel and set out in more detail to Governance Workgroup<sup>2</sup>, that good governance and best regulatory practice would suggest that since Modification 0696 and Modification 0701 are proposing different solutions to the same issue Panel, industry, and Ofgem would benefit from considering those Modifications alongside each other. Modification 0696 and Modification 0702 having very different reporting dates makes a considered view on both Modifications more difficult.

MS noted that the previous Panel in August 2019 discussed this issue and noted that the two Modifications were not alternatives and so should be considered separately.

MS noted that Panel made its decisions knowing that Legal Text was not available at the time and RP noted that Legal Text arrived on the 15<sup>th</sup> day of a 20 day consultation period.

A Panel Member noted that Panel can make decisions which the Authority may not agree with.

Another Panel Member noted that if industry is to move to principles-based regulation in future that will mean responses to the consultation could be made on the principles.

Panel discussed the feasibility of asking the Legal Text provider when Legal Text is likely to be delivered if this situation arises in future. 15 days is the maximum period to be expected, except where the Legal Text provider makes available a written report setting out the reasons for this not being met.

Panel also discussed the timescales for the two related Modifications and noted related **Action PAN 01/08** progress on determining the criteria for deeming an alternative (see above).

Panel Members then determined:

- that there were no new issues requiring a view from Workgroup, by unanimous vote;
- to implement Modification 0696, by majority vote (7 out of possible 13).

---

<sup>2</sup> Governance Workgroup minutes available here: <http://gasgovernance.co.uk/gov/02091>

## 247.12 AOB

### a) Notification of UNC Election Outcomes

RH provided an update, highlighting the only change to Panel composition would be Nigel Bradbury (EIUG) taking over from Eddie Proffitt as Non-Domestic consumer representative from 01 October 2019 until 30 September 2020.

MS noted again that this meeting was the last Panel for EP and Panel Members wished to thank Eddie for his contributions.

In terms of appointments to other UNC positions, all information is available here: <http://www.gasgovernance.co.uk/elections>

RH noted that there are vacancies for class B and C for both DSC Committees and the two credit committees (EBCC and DSC Credit) - if parties are interested they should approach the Joint Office ( [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk) ).

SM highlighted that work is underway examine how the constituencies are bounded to make it easier to participate.

### b) Panel Chair Recruitment

PG provided an update, outlining the process followed including nominations from Panel Members to the interview Panel. AG and Paul Rogers, Cadent joined PG on the interview Panel. Interviews have taken place and the interview Panel will be meeting week commencing 23 September 2019, after which it is envisaged the nomination will be sent to the Authority. The appointment will be two years from January 2020. PG outlined in brief the envisaged handover process with the new Panel Chair chairing the Panel in December under MS' guidance and then taking over fully for January 2020 Panel.

### c) Panel Feedback

RH noted that Panel Feedback forms would be distributed physically and electronically during or after this meeting and encouraged Panel Members to fill them in so that the Joint Office can review and improve the service and experience going forward. An update will be provided at the next meeting.

### d) Requested Ofgem update on decision process for Modification 0678 and alternatives

LK explained that Ofgem and CEPA (who is supporting Ofgem for the Impact Assessment) had presented at NTSCMF on 03 September 2019. The presentation had focussed on the methodology proposed. At that meeting D O'Neil had indicated Ofgem expects to be able to give a minded-to position by the end of 2019 for 0678 and its alternatives and possibly for Modification 0686 too. LK noted that the two Modifications are to some extent related but 0686 doesn't have the same ACER requirements. He confirmed that Ofgem wouldn't be making a decision in October 2019 on Modification 0686, though when questioned, he confirmed that a decision on 0686 may be possible before a decision on 0678 and its alternatives.

The CEPA presentation and minutes from that meeting can be found here:

<http://www.gasgovernance.co.uk/ntscmf/030919>

### e) BEIS/Ofgem Code governance review – consultation response

PG gave an update on the Joint Office response, which JGAC had reviewed.

- Joint Office has indicated that the IGT UNC and UNC could form one combined code for gas
- A strategic body is required that doesn't sit either within Ofgem or National Grid ETSO,
- The strategic body should have wide ranging representation including Ofgem.

LK confirmed Ofgem/BEIS will respond within 12 weeks. He also highlighted that at the Birmingham workshop, it was noted by some participants that not all of the items from the previous code governance reviews had been fully implemented.

LK further noted that the results of the Cross-code survey, undertaken by Future Thinking for Ofgem, would be published by end September 2019.

#### **247.13 Date of Next Meeting**

- 10.30, Thursday 17 October 2019, at Elexon.

**Action Table (19 September 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 01/07</b>	18/07/19	245.5c)	Code Administrator to collate information on all Modifications at both UIG and Distribution Workgroups with views from Workgroup as to which could be prioritised, for discussion at the September 2019 Panel.	JO (RH)	<b>Closed</b>
<b>PAN 01/08</b>	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.	JO (CS)	<b>Carried Forward</b>
<b>PAN 01/09</b>	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.	JO (AR)	<b>Pending</b>
<b>PAN 02/09</b>	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>Pending</b>
<b>PAN 03/09</b>	19/09/19	247.9	Code Administrator (J O ) to discuss at each workgroup whether timescales for each Modification are achievable.	JO (All Workgroup Chairs)	<b>Pending</b>