

Industry update from Ofgem – up to date as of 1 June 2020

UNC678 (Gas Charging Review) Amendments to Gas Transmission Charging Regime

On Thursday 28 May, we published our decision and final impact assessment on GCR, approving modification proposal UNC0678A - Amendments to Gas Transmission Charging Regime (Postage Stamp). Following the publication of our Minded to Decision and Draft Impact Assessment on 23 December 2019, we consulted for two months.

Our decision is to approve modification proposal UNC0678A, with an implementation date of 1 October 2020.

URL: <https://www.ofgem.gov.uk/publications-and-updates/amendments-gas-transmission-charging-regime-decision-and-final-impact-assessment-unc678abcdefghij>

Uniform Network Code Modifications aimed at mitigating the impacts of COVID-19

On 11 May 2020, Ofgem approved three Uniform Network Code (UNC) modification urgent proposals related to the COVID-19 pandemic. These are:

- UNC722 'Allow Users to submit Estimated Meter Reading during COVID-19'
- UNC723 'Use of Isolation Flag to identify sites with abnormal load reduction during COVID-19 period'
- UNC724 'Amendment to Ratchet charges during COVID-19 period'

On 29 May 2020, we made the decision to reject modification UNC 725, which had been granted urgency status on 7 May, and proposed to temporarily reduce the network capacity and associated charges allocated to daily metered supply points, to be based on a lower level of network usage during the COVID-19 period. We felt the modification would not better facilitate the achievement of the relevant objectives of the UNC.

Whilst we concluded it would not be appropriate to direct the implementation of UNC 725, we are sympathetic with the situation of customers who have entered into capacity commitments in accordance with prevailing requirements, and subsequently found they were unable to use that capacity due to COVID-19 regulations. We are aware the current situation continues to present challenges, and Ofgem is working closely with government and industry the needs of customers are being met, including the most vulnerable.

URL: <https://www.ofgem.gov.uk/publications-and-updates/authority-decision-unc722-unc723-unc724-and-consent-modify-c058> (UNC 722, 723, 724)

URL: <https://www.ofgem.gov.uk/publications-and-updates/unc725-ability-reflect-correct-customer-network-use-and-system-offtake-quantity-soq-during-covid-19> (UNC 725)

Final decision: South Hook Terminal Company's LTD's application for exemption from regulated third party access for additional capacity

We published our decision to grant South Hook Terminal Company LTD (SHT) an exemption from regulated Third Party Access (rTPA) for additional Liquefied Natural Gas capacity, estimated to be ~5.3 billion cubic metres per year. The granted exemption will be in place for 25 years from the date that commercial operation commences in respect of the Incremental Capacity, and the capacity will fall back within the rTPA regime when the exempt period for the Incremental Capacity ends.

We have notified the European Commission of our decision, who have two months from the day following receipt of our decision to request us to withdraw or amend it.

URL: <https://www.ofgem.gov.uk/publications-and-updates/final-decision-south-hook-Ing-terminal-company-ltd-s-application-exemption-regulated-third-party-access-additional-capacity>