

UNC Modification Panel Minutes
Meeting 313 held on Thursday 16 November 2023
via Microsoft Teams

Attendees		
Voting Panel Members:		
Shipper Representatives	Transporter Representatives	Consumer Representatives
D Fittock (DF) SSE and on behalf of S Mulinganie between 2 and 2.30pm D Morley (DMo) OVO Energy and on behalf of O Chapman C Paine (CP) Engie R Fairholme (RF) Uniper S Mulinganie (SM) SEFE Energy	C Gilbert (CG) BUUK D Mitchell (DMi) SGN E Allard (EA) Cadent M Montgomery (MM) National Gas Transmission R Pomroy (RP) Wales & West Utilities T Saunders (TS) Northern Gas Networks	S Hughes (SH) Citizens Advice A Geveke (AG) EIUG
Non-Voting Panel Members:		
Chairperson	Ofgem Representative	Independent Supplier Representative
W Goldwag (WG) Chair	M Brown (MB)	None
Also, in Attendance:		
Joint Office	Observers:	
B Fletcher (BF) H Bennett (HB) R Hailes (RHa) P Garner (PG)	A Clasper (AC) Cadent C Aguirre (CA) Pavilion Energy C Sykes (CS) Shell Energy E Rogers (ER) Xoserve/CDSP H Moss (HM) Cornwall Insight J Leggett (JLe) Interconnector J Lomax (JLo) Cornwall Insight	L Jauss (LJ) RWE N Hall (NH) Ofgem R Hewitt (RHe) Hewitt Home and Energy Solutions Limited' S Singh (SS) Cadent T Stuart (TS), Wales & West Utilities
Copies of all papers are available at https://www.gasgovernance.co.uk/Panel/161123		

Record of Discussions

313.1. Introductions

The UNC Modification Panel Chair, W Goldwag (WG), welcomed all attendees.

313.2. Note of any alternates attending the meeting

D Morley on behalf of O Chapman

313.3. Apologies for Absence

O Chapman

313.4. Minutes of the last meeting 19 October 2023.

Subject to the minor amendments included in published Version 2, the minutes from the 19 October meeting were approved.

313.5. Review of Action(s) and Issue(s)

ISS0110: Governance Workgroup to review amending Panel Vote post determination.

Update: B Fletcher (BF) advised that the Governance Workgroup had provided a report on this issue for Panel consideration. It is recommended that Votes remain as recorded except where there is a manifest error. WG advised that the report provides a consistent view and Panel Members agreed with this approach. **Closed.**

313.6. Consider Urgent Modifications

None.

313.7. Consider Variation Requests

None.

313.8. Final Modification Reports

a) Modification 0831 – Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method 0831A - Allocation of LDZ UIG to Shippers (Class 2, 3 and 4) Based on a Straight Throughput Method

R Hailes (RHa) presented the Final Modification Report (FMR). Please refer to the Panel Discussion with the published FMR at: <https://www.gasgovernance.co.uk/0831>.

RHa provided an overview of the process for considering alternative Modifications in the Final Modification Report and recording of Panel discussions against each of the relevant topics of discussion.

The Panel Chair summarised that Modification 0831 seeks to change the method by which unidentified gas (UIG) is allocated to Shippers from the current AUGE table of weighting factors to a throughput or universal allocation model; and that Modification 0831A is to remove the current AUGE process and create a permanent weighting table that encourages movement to Daily Metering, reduces levels of UIG and discourages risk premiums for customers.

Panel Members considered the Final Modification Report, Consultation Responses and the additional information provided by Xoserve at the September Panel meeting.

Members determined that to better understand the information provided previously by Xoserve and provide considered views for inclusion in the Final Modification Report, consideration should be deferred to an extraordinary meeting.

For Modifications 0831 and 0831A, Members determined (with 14 Panel votes available):

- To defer consideration to an extraordinary Panel meeting to be held on 22 November 2023, by unanimous vote (14 out of 14).

b) 0858S - Amendment to Network Entry Provision at Shell St Fergus Terminal

R Hailes (RHa) presented the Final Modification Report (FMR). Please refer to the Panel Discussion with the published FMR at: <https://www.gasgovernance.co.uk/0858>

The Panel Chair summarised that Modification 0858S seeks to enable the current Wobbe Index upper limit that applies between National Gas and Shell at St Fergus to be increased on an enduring basis from 51.2 MJ/m³ to 51.4MJ/m³.

Panel Members considered the representations made for Modification 0858S noting that implementation was unanimously supported in the 3 representations received.

Panel Members considered three relevant objectives:

- a) Efficient and economic operation of the pipe-line system. and*
- d) Securing of effective competition between Shippers and/or Suppliers; and*

The views from Panel Members were captured within the Final Modification Report.

For Modification 0858S, Members determined (with 14 Panel votes available):

- No new issues were identified during consultation, by unanimous vote (14 out of 14).
- The Modification had no Cross Code impacts, by unanimous vote (14 out of 14).
- Panel Members voted unanimously to implement Modification 0858S (14 out of 14).

313.9. Workgroup Issues/Updates

None

313.10. Workgroup Reports for Consideration

a) Modification 0856 - Introduction of Trials for Non-Daily Metered (NDM) Demand Side Response (DSR)

RHa introduced the Workgroup Report summarising that the purpose of the Modification is to create a framework to enable National Gas Transmission (NGT) to run time-limited trials for NDM DSR with the aim of gathering data, contributing towards longer-term thinking, allowing risks to be better understood and may increase the pre-emergency tools available.

RHa noted that the Modification has been developed quickly and with a proposed consultation ending close to the date of the next Panel, it would be challenging for Panel to review the Final Modification Report ahead of the meeting.

M Montgomery (MM) noted the external drive from DESNZ to implement this Modification to allow for a trial to be started during this Winter.

D Fittock (DF) noted that a previous DSR related modification pushed last winter had not been utilised and was implemented with limited industry scrutiny. He was of the view that pressure from DESNZ should not limit industry scrutiny as the limited time at Workgroup should lead to a longer consultation period.

T Saunders (TS) agreed with this view but wanted to understand how NGT would receive the data as they are not a party to the relevant agreements. MM noted that the expectation is data will be provided by Suppliers/Shippers to NGT as a part of the trial conditions.

R Pomroy (RP) supported the needs of NGT but wanted to understand the impacts on vulnerable customers and therefore this Modification should be given more time during consultation. MM noted the concern and advised that the relevant customer requirements and supporting information will be set out in the guidance document relevant to the trial.

DF wanted to understand the issues that sit outside of the UNC and why these are being considered in a separate consultation process – there seems to be a lack of a joined-up approach where issues could fall through the gap. MM felt it was appropriate to consult on UNC issues only as this is within the remit of the UNC Modification Panel.

A Geveke (AG) noted the concerns for customer impacts but wanted to see the process move as quickly as possible to ensure information could be made available through the trial.

R Fairholme (RF) was concerned the guidance document is not currently available for consideration alongside the UNC Modification even if the consultation is not tied, the trial relies on the Modification implementation, so they are linked. MM confirmed the guidance document is still being developed within the relevant Workstreams and will be made available when this process has concluded.

D Morley (DMo) wanted to see the Modification process move quickly to ensure there is no delay to a potential trial as has happened in previous examples.

RHa noted that the Workgroup had requested the Modification should be issued to consultation. Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0856>

Panel Members considered the Workgroup Report recommendation, that this Modification should proceed to Consultation.

There were no additional Panel Questions.

For Modification 0856, Members determined (with 14 Panel votes available):

- The Modification should be issued with a 12-day consultation, and considered at the 14 December 2023 Panel, at short notice, by majority vote (8 out of 14).

b) Modification 0859S - Reintroduction of the enhanced pressure service and increased MNEPOR for BBLC (as introduced by UNC0814)

RHa introduced the Workgroup Report summarising that the purpose of the Modification is to extend the temporary arrangements introduced via UNC0814 (which ended on 30 September 2023) which permit BBLC to increase their export capabilities at the Bacton IP on a temporary basis by gaining access to the enhanced pressure service and increasing their Maximum Network Exit Point Offtake Rate (MNEPOR) until 31 December 2024.

RHa noted that the Workgroup had requested the Modification should be issued to consultation. Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0859>

M Brown (MB) advised that Ofgem intends to reject the Self-Governance statement for this Modification and will be making the decision on implementation. A formal notice of rejection is to be submitted to the Joint Office within the next few days. In addition, Ofgem requests the inclusion of 2 questions for consultation to support the analysis of the Modification and aid in the decision-making process.

Ofgem Questions:

- 1) Provide views/ details on the data/ information collection required from the proposed solution in order to be in a position for a decision on any future enduring solution. UNC0859S is proposed as a temporary modification. The proposer states “This timeframe would provide sufficient time to gather data towards the longer term thinking and development of whether an enduring solution would be appropriate” [Page 3 of Modification document]. What information would you need to form a view as to whether an enduring solution is appropriate.
- 2) Provide views on the appropriateness of the time period for the enhanced pressure service proposed by the modification, with regards to system safety and GB security of supply. Do you consider Winter 23/24 to be an appropriate time to implement this modification. Please explain your reasons. If not, please state when you consider would be an appropriate time and your reasons for this.

MM requested a shortened consultation period to allow the Modification to be considered at the December Panel meeting.

RF disagreed with this view due to the questions and information requested by Ofgem, this may require respondents to undertake analysis in a time frame that is too short. TS agreed with this view.

R Hewitt (RHe) asked why the Ofgem questions were not asked at the Workgroup meetings. MB was not in a position to provide a view as he is not the policy analyst who was reviewing this Modification.

S Hughes (SH) noted the previous modification went through the process quickly but the decision took longer due to the additional information required and therefore was not implemented in time to be used. The aim should be to get this Modification through the process quickly so that it can be used. He welcomed Ofgem requesting information at this time as information/analysis would be available to inform the decision.

WG noted that Ofgem will take the time they need to consider the Modification regardless of the questions being asked now or later. RHa noted that Ofgem needed to ask questions to gather information to support a decision and the aim is to pre-empt this process.

RF felt that these issues should not be considered quickly to ensure the correct data is provided.

Panel Members considered the Workgroup Report recommendation, that this Modification should proceed to Consultation.

There were no additional Panel Questions.

For Modification 0859S, Members determined (with 14 Panel votes available):

- The Modification should be issued for 20-day consultation, and considered at the 18 January 2024 Panel, by Majority vote (13 out of 14).

313.11. Consider New, Non-Urgent Modifications

a) **Modification 0861S - Clarification of Provisions Regarding Utilisation of the System Without Holding System Capacity**

The Proposer, MM presented the Modification, explaining the purpose of this change is to acknowledge the extent of Transporters’ obligations to accept gas tendered for delivery to (or make gas available for offtake from) the System in the provisions that set out the charges

payable where a User utilises the System without holding system capacity.

The Proposer was of the view adding relevant wording to UNC TPD Section B would enhance the clarity of the UNC regarding the interaction between terms relating to the Use of System and the extent of relevant Transporters obligations in respect of deliveries to, and offtake from, the Total System.

It is proposed that UNC TPD Section B is modified to include wording that essentially states that in spite of the limitations regarding Transporters obligations to accept deliveries of gas and make gas available for offtake in excess of Capacity, where for any reason a User does flow in excess of these Capacity holdings, the relevant additional Charges will be payable.

C Paine (CP) suggested that this Modification is optional as it is not changing the existing rules, why is it needed when considering Panel and Workgroup time is limited – why is it needed. MM noted the concern, however, they have been approached by a number of stakeholders requesting that further clarity is added to the process to remove any ambiguity.

MM suggested that the Modification should be considered on the same day as Workgroup 0860 - *Clarify impact of exit capacity holdings on offtake rights* as they would have a similar attendees.

RP suggested the reporting time should mirror Workgroup 0860 so that there is an alignment in the time required for assessment. RHa suggested reporting to March 2024 Panel would seem to be appropriate. RP felt it needs to be in the same as Workgroup 0860 as it impacts similar parties.

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0861>

The Modification was proposed as Self-Governance with a Workgroup Assessment concluding in March 2024.

Panel agreed to a 4-month assessment period at a standalone Workgroup reporting back to March 2024 Panel. It was noted that this Modification could report back sooner if the Workgroup Report is concluded sooner.

Panel Questions:

None raised.

For Modification 0861 Members determined (with 14 Panel votes available):

- There are no Cross-Code impacts, by unanimous vote (14 out of 14).
- The criteria for Self-Governance is met, as this Modification is unlikely to have a material effect on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes, by unanimous vote (14 out of 14).
- The Modification should be issued to a Workgroup for 4 months with a report to be presented to the 21 March 2024 Panel, by unanimous vote (14 out of 14).

b) Modification 0862 – Amendments to the current Unidentified Gas Reconciliation Period arrangements

S Mulinganie (SM) presented the Modification explaining it proposes amendments to the current Unidentified Gas Reconciliation Period arrangements to reconcile Unidentified Gas

(UIG) to the same months that the energy originated from (instead of smoothing over the previous 12 months).

An introductory presentation was provided and shared with Panel. Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0862>

The Modification was proposed as Authority Direction with a Workgroup Assessment concluding in May 2024.

Panel agreed to a 6-month assessment period at the Distribution Workgroup reporting back May 2024. It was noted that this Modification could report back sooner if the Workgroup Report is concluded early.

Panel Questions:

None raised.

For Modification 0862 Members determined (with 14 Panel votes available):

- There are Cross-Code impacts, by unanimous vote (14 out of 14).
- The criteria for Self-Governance is not met, as this Modification is likely to have a material effect on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes, by unanimous vote (14 out of 14).
- The Modification should be issued to a Workgroup for 6 months with a report to be presented to the 16 May 2024 Panel, by unanimous vote (14 out of 14).

c) Modification 0863 – Erroneous Transfers Exception Process

The Proposer, S Mulinganie (SM) presented the Modification, explaining that it aims to provide a remedy for Erroneous Transfers that have failed to be progressed (exceptions) within a reasonable period to be proactively managed by the Central Data Services Provider (CDSP).

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0863>

RP noted Workgroup 0851R - *Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window* is in review, would this Modification impact the development of Request 0851 and its potential outcomes? SM felt it would have no impact either way but agreed it should be included as a consideration within the assessment of this Modification.

DMo noted that there is likely to be impacts or interplay with REC processes and these should be considered. DMo noted that the slides provided and the Modification appear to have different rules which should be reviewed and updated.

DMo posed a question: Shipper A's Supplier wants to continue to bill the Customer for the whole continuous period, as they should not have left. The parties agree to an Erroneous Transfer (ET). To enable this Shipper A needs to reimburse Shipper B for the costs it has incurred. Under an agreed ET Shipper B should send a claim for recovery of the costs to Shipper A and Shipper A should settle that claim

SM responded that 1 kWh advances were an option pre-REC but were removed to incentivise the Supplier to prevent instances of erroneous switches.

E Rogers (ER) noted there might be impacts with the SARs process which might impact or extend the review of Request 0851 and Modification 0863.

CP wanted to understand if the Modification should be Authority Direction due to the potential impacts. SM was content to move forward with either Self-Governance or Authority Direction as Panel could review the materiality and governance route as the Modification developed.

DMo challenged if the Modification should be a REC Change Proposal and not a UNC Modification. SM felt it sat better under UNC but would be willing to discuss this at the workgroup to consider the most appropriate Code to make the changes.

Panel agreed to a 6-month assessment period at the Distribution Workgroup reporting back 16 May 2024. It was noted that this Modification could report back sooner if the Workgroup Report is concluded sooner.

Panel Questions:

Q1. Consider interactions with REC processes.

Q2. Would this Modification be better suited as a REC Change Proposal.

For Modification 0863 Members determined (with 14 Panel votes available):

- There are Cross-Code impacts, by unanimous vote (14 out of 14).
- The criteria for Self-Governance is not met, as this Modification is likely to have a material effect on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes, by unanimous vote (14 out of 14).
- The Modification should be issued to a Workgroup for 6 months with a report to be presented to the 16 May 2024 Panel, by unanimous vote (14 out of 14).

d) Modification 0864 – Update of UNC Code Communication Methods

M Montgomery (MM) presented the Modification, explaining that it seeks to align obligated Code Communication methods with future communication network changes, attributable to national PSTN decommissioning, to prevent undue disruption to the GB gas industry.

This will require the replacement of the Code Communication method ‘facsimile’ within UNC documents with an alternative Code Communication method.

MM explained that the Public Switched Telephone Networks (PSTN) provide residual power and data transmission capabilities for fax machine devices. In 2025, this aged infrastructure will be switched off nationally by individual telecoms companies to be replaced with an Internet Protocol (IP) digital network. This national switch-off will result in existing fax devices that are incompatible with new all-IP digital networks becoming obsolete, and thus no longer capable of meeting obligated Code Communication services as prescribed within the UNC. The GB gas industry will need to switch to digital communication technology that is compatible with new replacement IP digital lines to ensure the continual transmission of information currently transmitted by facsimile. Failure to modify existing UNC Code Communication methods could result in non-compliance after parties physically switch to digital alternatives.

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0864>

DF asked if this issue has been discussed at CACoP or CCSG. PG advised that this will be raised at CACoP and CCSG.

DF noted that another solution might be required as email does not provide receipts and this would be needed for situations where the information relates to contractual obligations.

RP wanted to understand if Governance Workgroup was the right group as this change has more impact on operational teams than those concerned with governance processes.

RP suggested that Termination notices might need to be sent by post.

RF disagreed that this should be Governance Workgroup, it should be a cross code issue as both CUSC and BSC are already discussing the consequences and issues are being identified. It would be beneficial if there was a joined-up approach across all Codes.

TS felt that Governance Workgroup was the best workgroup with feeders to other Workgroups as required. TS noted that Modification 0479S - *Inclusion of email as a valid UNC communication* put email into UNC as a valid Code Communication, however, this was a protracted process and identified the sort of issues that need to be discussed – 6 months of development should be considered a minimum.

C Gilbert (CG) noted that IGT UNC has FAX as a method of communication and there is at least one reference in INC IGTAD which should be considered and supported a Cross Code approach.

Panel agreed to a 6-month assessment period at the Governance Workgroup reporting back 16 May 2024. It was noted that this Modification could report back sooner if the Workgroup Report is concluded sooner.

New Action:

Action 0111: K Elleman (Governance Workgroup Chair) to liaise with both CACoP and CCSG to identify if a Cross Code Workgroup or Best Practice group should be established.

Panel Questions:

None raised.

For Modification 0864 Members determined (with 14 Panel votes available):

- There are Cross-Code impacts, by unanimous vote (14 out of 14).
- The criteria for Self-Governance is met, as this Modification is unlikely to have a material effect on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes, by unanimous vote (14 out of 14).
- The Modification should be issued a Workgroup for 6 months with a report to be presented to the 16 May 2024 Panel, by unanimous vote (14 out of 14).

313.12. Existing Modifications for Reconsiderations

MB advised as previously discussed at the August meeting, that Ofgem was not of the opinion that Modification 0852S - *Shipper notification in relation to option exercise for Customer Demand Side Response* should be Self-Governance, and that Ofgem is minded to issue a notice to reject the Self-Governance Statement for Modification 0852S.

N Hall (NH) advised that the Code Governance reform contained in the amendments to the Energy Act received royal assent in October. Ofgem intends to consult on changes to Code Governance in the New Year.

NH confirmed that Ofgem's publishing moratorium would run from Thursday 14 December 2023 to 04 January 2024.

The following update was provided to the estimated decision dates timetable published at <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>:

Modification	Estimated Decision Date
0808 - Reverse Compression	24 November 2023
0823 - Amendment to the Allocation of Entry Capacity and Flow Quantities to Qualifying CNCCD Routes	Amended to 26 January 2024
0825 - Removal of the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modification 0434	Received 14 November 2023
0839 - Revision of the Modification Panel Membership Cessation Provisions	12 January 2024
0847 - Introduction of a Minimum General Non-Transmission Services Charge	31 May 2024
0855 - Settlement Adjustments for Supply Meter Points impacted by the Central Switching System P1 Incident	05 December 2023

313.13. Modification Reporting

Workgroup Extension Requests:

Modification	Current reporting date	Requested Panel reporting date	Reason for request to change Panel reporting date/Comments
0843 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert	December 2023	April 2024	Complete assessment

Legal Text Requests:

UNC Modification Panel Members discussed the Legal Text Requests and determined unanimously to make Legal Text Requests for the following Modification(s):

Legal Text Requests for Modifications	Accepted
0842 - Gas Entry onto the Total system via an Independent Gas Transporter	Yes

313.14. Any Other Business

a) Letter from DSC Contract Committee to REC Performance Assurance Board

B Fletcher (BF) advised that the DSC Contract Committee is to write to the REC Performance Assurance Board (RECPAB) to highlight concerns regarding timeliness of resolution of Service Management tickets related to ‘missed messages’ and the priority assigned to such tickets by the Switching Operator.

The letter is to include a number of suggested improvements and actions and requests an update on what measures REC PAB is considering placing on the Switching Operator to ensure that the performance standards are met.

This letter is being brought to the attention of both the UNC and IGT UNC Panel members as a number of related Modifications have been raised associated with the ‘missed messages’ issue and the content may be of interest to members.

BF requested Panel Members to notify him should they wish to receive a copy of the letter being provided to the Chair REC PAB.

313.15. Date of Next Meeting(s):

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Time / Date	New Mod Deadline	Venue
14.30 Wednesday 22 November 2023	Agenda restricted to items deferred from 16 November 2023 meeting and UNCC meeting	Teleconference / Microsoft Teams
10:00 Thursday 14 December 2023	5pm Friday 08 December 2023	Teleconference / Microsoft Teams
10.00 Thursday 18 January 2024	5pm Wednesday 10 January 2024	Teleconference / Microsoft Teams & In Person
10.00 Thursday 15 February 2024	5pm Wednesday 07 February 2024	Teleconference / Microsoft Teams & In Person

Panel Action / Issue Table						
Action Ref	Meeting Date	Minute Ref	Action	Owner	Reporting Month	Status Update
IS0110	19/10/23	N/A	Governance Workgroup to review amending Panel Vote post determination.	JO (KE)	November 2023	Closed
0111	16/11/23	313.11 d)	K Elleman (Governance Workgroup Chair) to liaise with both CACoP and CCSG to identify if a Cross Code Workgroup or Best Practice group should be established.	JO (KE)	December 2023	Pending

