

UNC Modification Panel
Minutes of Meeting 299 held on
Thursday 20 October 2022
via teleconference

Attendees

Voting Panel Members:

Shipper Representatives	Transporter Representatives	Consumer Representatives
D Fittock (DF), Corona Energy and on behalf of SM from 13:30 D Morley (DM), Ovo Energy O Chapman (OC), Centrica from 10:30 M Bellman (MB), ScottishPower and on behalf of OC until 10:30 R Fairholme (RF), Uniper S Mulinganie (SM), SEFE Energy until 13:30	K Matiringe (KM), BUUK D Mitchell (DMi), SGN G Dosanjh (GD), Cadent A Clasper (AC), Cadent on behalf of GD from 11:30 to 12:30 J Bates (JB), National Grid NTS T Saunders (TS), Northern Gas Networks R Pomroy (RP), Wales & West Utilities	S Hughes (SH), Citizens Advice E Proffitt (EP), Major Energy User's Council

Non-Voting Panel Members:

Chairperson	Ofgem Representative	Independent Supplier Representative
W Goldwag (WG), Chair	J Semple (JS)	(None)

Also, in Attendance:

- A Cebo (AC), EDF
- B Fletcher (BF), Joint Office
- C Mitchell (CM), Shell Energy
- C Sykes (CS), Shell Energy
- E Rogers (ER), Xoserve - CDSP Representative

H Moss (HM), Cornwall Insight

M Bhowmick-Jewkes (MBJ), Joint Office

P Garner (PG), Joint Office

P Vadgama (PV), Ofgem

R Hailes (RH), Joint Office

Record of Discussions

299.1 Introduction

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

299.2 Note of any alternates attending the meeting

K Matiringe on behalf of A Travell

A Clasper on behalf of G Dosanjh between 11:30 – 12:30

M Bellman on behalf of O Chapman until 10:30

D Fittock on behalf of S Mulinganie from 13:30

299.3 Record of apologies for absence

A Travell, BUUK

T Lattimore (TL), Gemserv

299.4 Minutes of the last meetings 18 August 2022

Panel Members approved the minutes from 15 September Panel and 08 September, 22 September and 28 September Extraordinary Panels.

299.5 Review of Outstanding Action(s)

PAN 07/01: JGAC to consider the recording of Panel meetings.

Update: P Garner (PG) noted that JGAC were considering this matter, particularly any GDPR compliance implications such as data privacy and consent. PG added that JGAC were also reviewing different ways of working for other Code Managers. PG advised JGAC would try to ensure that a response is provided as soon as possible. WG noted that there could be implications for meeting participation while also noting that JGAC would welcome any feedback from Panel Members on this topic.

Carried Over

PAN 08/01: Joint Office (KE) to review Modification awaiting Ofgem decisions on the basis of age and whether they are out of date and can be closed.

Update: R Hailes (RH) advised that K Elleman (KE) had reviewed the Modifications awaiting Ofgem decision and discussed them with Ofgem. SM noted the concern was that the Legal Text for some of them may be out of date. RH explained that the Joint Office was currently investigating the impact of this, but the initial view was that there was no cause for concern and this would be picked up during normal work activities.

R Pomroy (RP) remarked that the relevant parties for some Modifications were no longer in market. S Mulinganie (SM) advised that Ofgem had already rejected them.

RH explained that the Joint Office would review this matter and if any issues were identified, Ofgem, the Proposer and Legal Text provider for the Modification would be flagged. Panel Members accepted this and agreed to close the action.

Closed

PAN 08/03: Joint Office (RH) to liaise with ENA and Metering Experts group on where the Gas Meter By-Pass Arrangements Guidance Note and Flow Chart should be published.

Update: RH advised that the Joint Office had tried to progress these discussions but were currently waiting for engagement from the other parties.

Carried Forward

PAN 09/01: National Grid (JB) to provide data required for analysis on Modification 0823 - Amendment to the Allocation of Entry Capacity and Flow Quantities to Qualifying CNCCD Routes at the NTSCMF Workgroup.

Update: J Bates (JB) advised that National Grid has provided the initial data to the NTSCMF Workgroup, and it was well received. Panel Members agreed the action can be closed.

Closed

PAN 09/02: Joint Office (RH) to write to Proposer of Modification 0808 and Legal Text Provider to address the issues with developing this Modification, with an update to be brought to the October Panel.

Update: RH advised that further to discussions Modification 0808 had progressed and it would be discussed further at the Distribution Workgroup next week. RH thanks the Transporters for their engagement.

Closed

299.6 Consider Urgent Modifications – Workgroup referral

a) Modification 0817 (Urgent) - Treatment of Existing Capacity Holding at Easington on creation of the new Rough Storage ASEP

RH asked if Panel Members had identified any consequential impacts or unintended consequences further to the implementation of Modification 0817 (Urgent) - *Treatment of Existing Capacity Holding at Easington on creation of the new Rough Storage ASEP*.

It was noted that no concerns had been identified.

For Modification 0817 (Urgent) Members determined (14 Panel votes were available for the determinations):

- Modification 0817 (Urgent) not to be issued to Workgroup, by unanimous vote (14 out of 14).

b) Modification 0824 (Urgent) - Appointment of CDSP as the Scheme Administrator for the Energy Price Guarantee (EPG) for Domestic Gas Consumers (Gas)

RH advised that changes in government policies would have an impact on this Modification, which had been implemented.

PG remarked that following the government announcement that the EPG Scheme (Scheme) is now likely to end in April 2023 rather than in two years, the industry would need to develop a solution based on an amended scheme and another Urgent Modification may need to be raised.

T Saunders (TS) suggested that this Modification did not require further consideration by Workgroup but noted that the UNC Modification Panel (Panel) had raised several questions for Ofgem in the Final Modification Report (FMR). TS expressed her disappointment that Ofgem had not addressed them in their decision letter and asked if Panel Members wanted to seek further clarity from Ofgem or an acknowledgement of the issues identified.

S Mulinganie (SM) remarked that Panel could not influence the development of the Scheme and felt there was no benefit from further discussions.

WG noted that BEIS and Ofgem had asked for the industry's views on the Scheme and therefore Panel were obligated to discuss it. WG agreed with TS that Panel Members had raised some valid concerns and agreed that it was disappointing that these had not been responded to directly. WG asked Panel Members if they wanted to raise this concern with Ofgem.

R Pomroy (RP) noted that that much of the discussion around this topic was about the Scheme Rules which were still being drafted. RP suggested that it would be beneficial to discuss these rules in a forum while they were still being developed. RP noted that under the Scheme, the Secretary of State can be absolved of any liability and therefore the industry would need clarity around who would be liable when there were issues.

SM agreed that there were some potential issues in how liabilities were addressed in the Scheme Rules and that a Workgroup may be required to consider the overall impacts of operation.

WG agreed with this view but suggested that the issues may be wider than the 0824 (Urgent) Modification Workgroup. TS suggested that the Rules could be discussed either at the 0824 Workgroup or at a broader forum such as Distribution Workgroup.

WG noted that a change in government leadership may result in the Energy Bill not progressing which would make any discussions around this topic irrelevant. Panel Members agreed with this view.

WG asked Panel to vote on whether Modification 0824 (Urgent) should be discussed either at Workgroup or in a broader forum.

PG suggested that the specifics of this topic should be discussed at the DSC Contract Management committee as it was about the CDSP performance and liabilities for the scheme and for a higher-level discussion, the topic can be raised as an AOB at the Distribution Workgroup which could be migrated into an issue if it was needed. E Rogers (ER) agreed with this suggestion.

TS noted that it may be worth flagging that Ofgem did not address Panel's concerns on this matter and that it was disappointing. WG, RP and SM agreed with this approach.

WG asked the Ofgem Representative, J Semple (JS) to comment. JS advised that she was not aware of this topic but that she would provide feedback to the relevant team. PG requested JS to recommend someone at Ofgem above the Head of Function role who could liaise with WG. JS noted this.

RP asked if Distribution Workgroup could consider the broader implications from discussing the Energy Bills.

New PAN 10/01: Distribution Workgroup to consider the broader implications of the Energy Bill and DSC Contract Management Committee to consider the operation of the scheme implemented by Modification 0824 (Urgent).

ER highlighted that previously when Panel had discussed this Modification, no IGT impacts had been identified. However, IGTs have now raised an equivalent scheme as there are IGT impacts from this Modification.

For Modification 0824 (Urgent) Members determined (14 Panel votes were available for the determinations):

- Modification 0824 (Urgent) not to be issued to Workgroup, by majority vote (13 out of 14).

c) Modification 0822 (Urgent) – Reform of Gas Demand Side Response Arrangements

RH advised that the Ofgem decision letter instructed National Grid to carry out certain activities in relation to this Modification but noted that there were no other concerns raised.

J Bates (JB) advised that National Grid have been asked to undertake at a wider exercise around this topic by Ofgem which would extend their role as the residual balancer. JB added that discussions were being held to identify whether this should be National Grid or the government's role.

DF noted this should be reviewed at WG.

For Modification 0822 (Urgent) Members determined (14 Panel votes were available for the determinations):

- Modification 0822 (Urgent) not to be issued to Workgroup, by majority vote (8 out of 14).

299.7 Consider Variation Request

- a) None.

299.8 Final Modification Reports

- a) None.

299.9 Consider New, Non-Urgent Modifications

- a) **Modification 0825 - Removal of the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modification 0434**

A Cebo (AC) presented this Modification, explaining that it seeks to remove the remaining Retrospective Asset, Address and Supply Point (RAASP) elements of the Retrospective Adjustment arrangements put in place under Modifications 0434 and 0651.

ER noted that the work done to implement Modification 0651 had not progressed as the DSC Change Management Committee had agreed that this work should be paused until the Central Switching Service (CSS) Programme was delivered. ER added that the Change Proposal (XRN) for delivering this change was now back on the DSC Change Management Committee's agenda and would start to review design costs. ER emphasised that the XRN had not fallen off the radar but rather only been paused.

SM disagreed with the approach taken. ER advised that the DSC Change Management Committee had made the decision to pause the delivery of this. WG reiterated the discussion was around Modification 0825 rather than Modification 0651.

AC noted that this Modification had been discussed already at the Distribution Workgroup and the Workgroup had suggested the Modification required a 6-month development period. Panel agreed with this noting it can be brought back sooner if required.

RP advised that Ofgem had announced that the Significant Code Review on Faster Switching has been removed. PG acknowledged this noting that this vote would be removed going forward.

K Matiringe (KM) explained that both Modification 0651 and the related XRN has IGT impacts and therefore there may be similar impacts from this Modification.

SM suggested that Ofgem's view on the Relevant Objectives for Modification 0651 should be reviewed as part of the Workgroup assessment. TS accepted that whilst the Relevant Objectives for Modification 0651 might be valid from a reference point of view, the Relevant Objectives for this Modification should stand alone.

JB suggested that as a new Panel Member, unacquainted with Modification 0651, some additional history or context would be useful. PG agreed and said JO would support the Proposer with updating the Modification with this.

S Hughes (SH) noted that the Modification could have provided further clarity around the impacts and considerations of not implementing Modification 0651 and asked if the Proposer could address this.

Panel Questions:

Q1. Workgroup to consider the financial arrangements associated with Modification 0651, any existing funding provisions and commitments, and the treatment of them in the event that Modification 0825 is approved.

Q2. Workgroup are asked to present an update of the Cost-Benefit Analysis for Modification 0651 and the related XRN434 in the Draft Modification Report and explain how the Net Cost or Net Benefit (as evidenced) informs their conclusions for 825.

Q3. Workgroup are asked to note that this Modification is proposing to overturn Modification 0651 that has already been directed by the Authority but not yet implemented. To clarify this very unusual situation the Workgroup are asked to confirm that Modification 0825 impacts on Relevant Objectives are either:

- i) new and therefore incremental to 0651 Relevant Objectives, or
- ii) a re-evaluation of the original 0651 impact in view of the passage of time.

For Modification 0825 Members determined (14 Panel votes were available for the determinations):

- It is not related to the Significant Code Review, by unanimous vote (14 out of 14).
- 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).
- Modification 0825 issued to Workgroup 0825 for 6 months with a report to be presented to the 20 April 2023 Panel, by unanimous vote (14 out of 14).

b) Modification 0826 - Amendment to Network Entry Provision at Shell St Fergus Terminal

C Sykes (CS) introduced this Modification, advising that this Modification will enable the current Wobbe Index (WI) upper limit that applies between National Grid and Shell at St Fergus to be temporarily increased from 51.2 MJ/m³ to 51.4 MJ/m³.

TS asked if there are any time constraints to consider. CS explained this Modification was being raised because of the energy crisis as it would enhance the terminal's operations and therefore it would be beneficial for the Modification to be implemented as soon as possible.

SH asked why the WI limit is being increased and how the original limit was set. CM advised that the WI was set up with the limit and with the change proposed, there would be a marginal increase in gas in the system.

RH asked if there would be any impact on downstream consumers. CS was not aware of any impacts for concern.

JB remarked that whilst he understood the Modification was being raised to align the Shell terminal with other terminals, the proposed changes would have a impact and suggested that this should be discussed further at Workgroup.

SM noted that it would be difficult to validate the impact of this change on customers. JB explained that the change itself was minor and therefore it should not have any material impact. CS agreed and added that the Network Penetration Analysis carried out had not identified any impacts.

SH suggested that the onus was on the Proposer for a Modification to present the impacts, without which it should not progress to consultation.

CS presented the St Fergus gas flow slides for additional information.

SM noted without additional evidence Panel could not justify this going out for consultation. WG asked if there was any way to provide this information but accepted that it did not look like there was any.

A Panel Member noted that Ofgem had closed the Switching Significant Code Review (SCR) and a vote was no longer required to check whether a Modification impacts a SCR.

Panel Members discussed how long the Modification should be developed at Workgroup, acknowledging that there is a legitimate security of supply concern. Panel agreed the Modification should go to Workgroup for one month and then be extended if required.

Panel Questions:

Q1. Workgroup to consider the impact on downstream users and evidence of consumer impact

Q2. National Grid to provide evidence or a statement on why National Grid would not need to model the effect of change e.g. because it is too small to model.

For Modification 0826 Members determined (14 Panel votes were available for the determinations):

- 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).
- Modification 0826S not to be issued for consultation, by majority vote (11 out of 14).
- Modification 0826S issued to Workgroup 0826 for 1 month with a report to be presented to the 17 November 2023 Panel, by majority vote (13 out of 14).

299.10 Existing Modifications for Reconsiderations

J Semple (JS) advised a new EDD table has now been published.

299.11 Workgroup Issues/Updates

- a) None.

299.12 Workgroup Reports for Consideration

- a) **Request 0754R - Investigate Advanced Analytic Options to improve NDM Demand Modelling**

Panel Members noted the Workgroup Report recommended that that this Request Workgroup should be closed.

RH advised the Workgroup had been successful and a number of innovations had risen out of it and will be progressed by DESC.

For Request 0754R, Members determined (14 Panel votes were available for the determinations):

- Workgroup 0754R to be closed, by unanimous vote (14 out of 14).

299.13 Modification Reporting

Workgroup Extension Request

Modification	Current reporting date	Requested Panel reporting date	Reason for request to change Panel reporting date/Comments

0811S - Shipper Agreed Read (SAR) exceptions process	17 November 2022	December 2022	1 month
0816S - Update to AQ Correction Processes	17 November 2022	January 2023	2 months

Legal Text Request:

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

Legal Text Requests for Modifications
0811S - Shipper Agreed Read (SAR) exceptions process
0813 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers
0815 - DSC Committee Quoracy

299.14 AOB

a) Panel Member Attendance (New Gas Year)

RH presented a set of slides on this topic for information, providing an overview of the Panel Member's Attendance rules for clarity.

Members noted and agreed that:

1. Extraordinary or short notice meetings should not count towards voting member absences and their automatic resignation.
2. Sending an Alternate to a meeting does not count towards member attendance.
3. Notifying the JO in advance if unable to attend, briefing your alternate and providing instruction was also appropriate.

b) REC Representative at UNC PAC

RP noted this topic should be discussed at UNCC. WG agreed and moved this to the AOB for UNCC.

c) Code Governance Reform

JS advised Ofgem will seek a consultation on the Code Governance Reform on the key policy areas whilst awaiting implementation and government position.

299.15 Date of Next Meeting(s): 10:00 Thursday 17 November 2022, by teleconference

Action Table (20 October 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update	Date of Expected update
PAN 07/01	21/07/22	292.4	JGAC to consider the recording of Panel meetings.	Joint Office (PG)	Carried Forward	17 November 2022
PAN 08/01	18/08/22	294.5	Joint Office (KE) to review Modification awaiting Ofgem decisions on the basis of age and whether they are out of date and can be closed.	Joint Office (KE)	Closed	20 October 2022
PAN 08/03	18/08/22	294.12 a)	Joint Office (RH) to liaise with ENA and Metering Experts group on where the Gas Meter By-Pass Arrangements Guidance Note and Flow Chart should be published.	Joint Office (RH)	Carried Forward	17 November 2022
PAN 09/01	15/09/22	296.9 f)	National Grid (JB) to provide data required for analysis on Modification 0823 - Amendment to the Allocation of Entry Capacity and Flow Quantities to Qualifying CNCCD Routes at the NTSCMF Workgroup.	National Grid (JB)	Closed	20 October 2022
PAN 09/02	15/09/22	296.12 a)	Joint Office (RH) to write to Proposer of Modification 0808 and Legal Text Provider to address the issues with developing this Modification, with an update to be brought to the October Panel.	Joint Office (RH)	Closed	20 October 2022
PAN 10/01	20/10/22	299.6 b)	Distribution Workgroup to consider the broader implications of the Energy Bill and DSC Contract Management Committee to consider the operation of the scheme implemented by Modification 0824 (Urgent).	Joint Office (RH)	Pending	17 November 2022