









UNC Modification	At what stage is this document in the process?
<h1 data-bbox="134 322 657 414">UNC 0803:</h1> <h2 data-bbox="134 450 906 589">Exceptional Circumstances Modification process</h2>	<div data-bbox="1209 309 1469 629"> <div data-bbox="1209 309 1469 383">01 Modification</div> <div data-bbox="1209 389 1469 463">02 Workgroup Report</div> <div data-bbox="1209 470 1469 544">03 Draft Modification Report</div> <div data-bbox="1209 551 1469 624">04 Final Modification Report</div> </div>
<p><b>Purpose of Modification:</b></p> <p>During <b>Exceptional Circumstances</b> (the event) as declared by the Authority, all Modifications that seek to mitigate the impact of the event will be considered as Transitional, Self-Governance Modifications.</p>	
<p><b>Next Steps:</b></p> <p>The Proposer recommends that this Modification should be:</p> <ul data-bbox="156 1010 1145 1093" style="list-style-type: none"> <li>considered a material change and not subject to Self-Governance</li> <li>assessed by a Workgroup</li> </ul> <p>This Modification will be presented by the Proposer to the Panel on <b>17 February 2022</b>. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>	
<p><b>Impacted Parties:</b></p> <p>High: Suppliers, Shippers, Transporters and Consumers</p> <p>Low:</p> <p>None:</p>	
<p><b>Impacted Codes:</b></p> <p>UNC, IGT UNC. In some cases, changes to the UNC impact the IGT UNC and therefore for the sake of alignment it may be appropriate to mirror these arrangements in the IGT UNC</p>	

Contents			
1	Summary	3	 Any questions?
2	Governance	3	Contact: Joint Office of Gas Transporters
3	Why Change?	3	 <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>
4	Code Specific Matters	4	 0121 288 2107
5	Solution	4	Proposer: Steve Mulinganie Gazprom
6	Impacts & Other Considerations	5	 <a href="mailto:steve.mulinganie@gazprom-energy.com">steve.mulinganie@gazprom-energy.com</a>
7	Relevant Objectives	6	 0799 097 2568
8	Implementation	7	Transporter: Cadent
9	Legal Text	7	 <a href="mailto:Gurvinder.Dosanjh@cadentgas.com">Gurvinder.Dosanjh@cadentgas.com</a>
10	Recommendations	7	 07773 151 572
Timetable			Systems Provider: Xoserve
<b>Modification timetable:</b>			 <a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a>
Pre-Modification Discussed	14 February 2022		
Date Modification Raised	07 February 2022		
New Modification to be considered by Panel	17 February 2022		
First Workgroup Meeting	(TBC) March 2022		
Workgroup Report to be presented to Panel	18 August 2022		
Draft Modification Report issued for consultation	22 August 2022		
Consultation Close-out for representations	12 September 2022		
Final Modification Report available for Panel	15 September 2022		
Modification Panel decision	20 October 2022		

## 1 Summary

### What

The Energy Industry has recently experienced two significant events which have had material detrimental impacts on consumers. First the world wide COVID pandemic has created significant challenges to the Energy Market with material and detrimental impacts to consumers. Whilst the Energy Market has been dealing with the fallout from the COVID pandemic, the energy market has also been impacted by unprecedented Wholesale Energy price volatility.

The ability for the existing Governance arrangements to cope with such a fast-moving environment has been highlighted repeatedly as the market has sought to bring forward proposals to mitigate the impacts of these events

### Why

During the events set out above we have seen the existing Governance arrangements struggle to cope with the need to expedite change in these types of situations. The existing Governance arrangements do not, in exceptional circumstances, have the flexibility to efficiently deliver timely changes without the need to resort to urgent procedures and requiring the Authority to make all decisions regarding implementation.

### How

We are proposing that during Exceptional Circumstances (the event) as declared by the Authority, all Modifications that seek to mitigate the impact of the event will be considered as both Transitional and Self Governance Modifications.

We note that the concept of Self Governance and Transitional already exists and that this modification will extend the scope of Self Governance during an event.

## 2 Governance

This Modification is seeking to follow Authority Direction procedures as it is likely to have a material impact on the UNC governance processes and Modification Rules.

This Modification should:

- be considered a material change and not subject to Self-Governance.
- be assessed by a Workgroup.

## 3 Why Change?

During the events set out above we have seen the existing Governance arrangements struggle to cope with the need to expedite change in these types of situations. The existing Governance arrangements do not, in exceptional circumstances, have the flexibility to efficiently deliver timely changes without resorting to the use of urgent procedures.

## 4 Code Specific Matters

### Reference Documents

UNC Modification Rules

UNC General Terms Section B - General

UNC General Terms Section D – CDSP and UK Link

DSC - Change Management Procedures

DSC – Budget and Charging Methodology

IGT UNC

### Knowledge/Skills

No additional knowledge or skills required.

## 5 Solution

We are proposing that during Exceptional Circumstances (the event) as declared by the Authority, all Modifications that seek to mitigate the impact of the event will be considered as both Transitional and Self Governance Modifications.

We note that the concept of Self Governance and Transitional already exists and that this modification will extend the scope of Self Governance during an event.

We further note the following: -

By requiring such changes to be Transitional in nature we ensure that they do not endure in perpetuity and their impact is finite. By utilising the existing Self Governance arrangements, we ensure that the Authority has step in rights to call in any Modification

By placing the power to declare the event with the Authority we ensure these arrangements are only enacted and endure as long as the Authority is content that such intervention is justified to avoid undue detriment to consumers

### Business Rules

BR1. Following the notification of Exceptional Circumstances (the event) by the Authority all new modifications, raised during the event, that seek to mitigate the impact of the event will be considered as both Transitional and Self Governance Modifications. The Panel will set out a timeline for Modification development and consultation to ensure the development and consultation is expedited

BR2. Following the declaration of the event by the Authority all existing Modifications will be assessed by the Panel and if appropriate will be, if they seek to mitigate the impact of the event, determined to be Transitional and Self Governance Modifications. The Panel will set out a timeline for Modification development and consultation to ensure the development and consultation is expedited

BR3. Following notification of the end of the event all existing modifications will be assessed by the Panel to determine if they comply with the normal definition of Self Governance and will continue to be suitable to be considered Transitional in nature. The Panel will set out a timeline for Modification development and consultation to ensure the development and consultation is expedited

## 6 Impacts & Other Considerations

### Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No

### Consumer Impacts

This Modification will deliver positive outcomes to consumers by seeking to mitigate the impact of exceptional circumstance events.

### What is the current consumer experience and what would the new consumer experience be?

This Modification will deliver positive outcomes to consumers by seeking to mitigate the impact of exceptional circumstance events.

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
<p><b>Improved safety and reliability</b></p> <p>The ability to take appropriate action quicker will improve, were the change is relevant, both safety and reliability in comparison to the existing arrangements</p>	Positive
<p><b>Lower bills than would otherwise be the case</b></p> <p>The ability to take appropriate action quicker will improve, were the change is relevant, lead to lower bills in comparison to the existing arrangements</p>	Positive
<p><b>Reduced environmental damage</b></p> <p>The ability to take appropriate action quicker will improve, were the change is relevant, reduced environmental damage in comparison to the existing arrangements</p>	Positive
<p><b>Improved quality of service</b></p> <p>The ability to take appropriate action quicker will improve, were the change is relevant, the quality of service in comparison to the existing arrangements</p>	Positive
<p><b>Benefits for society as a whole</b></p> <p>The ability to take appropriate action quicker will improve, were the change is relevant, benefits for society as a whole in comparison to the existing arrangements</p>	Positive

## Cross-Code Impacts

UNC, IGT UNC. In some cases, changes to the UNC impact the IGT UNC and therefore for the sake of alignment it may be appropriate to mirror these arrangements in the IGT UNC.

## EU Code Impacts

Not Applicable

## Central Systems Impacts

The proposal introduces an expedited Governance process so in and of itself it does not directly impact Central Systems. Changes may be required to the DSC governance process to ensure it aligns with UNC requirements to manage defined exceptional circumstances events and possible changes implementation priorities to cater for Modifications related to an event.

# 7 Relevant Objectives

## Impact of the Modification on the Transporters' Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

The following Relevant Objectives would be furthered by the implementation of this Modification:

- d) Securing of effective competition by ensuring timely interventions to be implemented in response to Authority directed events while minimising disruption to the operation of the market.

- f) Promotion of efficiency in the implementation and administration of the Code by providing industry governance processes with the required tools to respond quickly to an Authority event while ensure sufficient safeguards are provided to maintain confidence in the change process.

## 8 Implementation

We would recommend implementation as soon as Reasonably Practicable following Authority direction to do so.

## 9 Legal Text

### Text Commentary

Insert text here.

### Text

Insert text here.

## 10 Recommendations

### Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Authority Direction should apply.
- Refer this proposal to a Workgroup for assessment.