

Record of Determinations:

Panel Meeting 269 18 February 2021

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

Note definition of Defined Term "Panel Majority" in the Mod Rules 2.1.

FMR implementation votes should record either in favour or not present (or be blank) Mod Rules 9.4(b)

In favour	Not Present
✓	NP

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Non-Domestic Consumer Voting Member	Determination Sought	
		SM for AG	DF	MB	MJ	RF	SM	DL	GD	HC	RP	TS	RC	LS	NB		
Modification 0735VS - UNC Changes as a consequence of the United Kingdom's exit from the European Union	No new issues were identified during the consultation for Modification 0735VS - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Were any new issues identified during the consultation for Modification 0735VS?
	Not related to the Significant Code Review - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Does Modification 0735VS impact a Significant Code Review?
	Modification 0735VS is to be implemented - majority vote for (11 out of 13)		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	NP	Should Modification 0735VS be implemented? (Yes, votes only)
Modification 0739 - Aggregate overrun regime for Original Capacity held at the Bacton ASEPs	No new issues were identified during the consultation for Modification 0739 - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Were any new issues identified during the consultation for Modification 0739?
	Not related to the Significant Code Review - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Does Modification 0739 impact a Significant Code Review?
	Modification 0739 recommended to be implemented - majority vote for (10 out of 13)	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓			NP	Should Modification 0739 be implemented? (Yes, votes only)
Modification 0743S - Revisions to User Termination Provisions	No new issues were identified during the consultation for Modification 0743S - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Were any new issues identified during the consultation for Modification 0743S?
	Not related to the Significant Code Review - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Does Modification 0743S impact a Significant Code Review?
	Modification 0743S to be implemented - unanimous vote for (13 out of 13)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Should Modification 0743S be implemented? (Yes, votes only)
	Not related to the Significant Code Review - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	TS for RP X	X	X	X	NP	Does Modification 0753 impact a Significant Code Review?

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In favour	Not Present
✓	NP

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Non-Domestic Consumer Voting Member	Determination Sought	
		SM for AG	DF	MB	MJ	RF	SM	DL	GD	HC	RP	TS	RC	LS	NB		
Modification 0753 - Removal of Pricing Disincentives for Secondary Trading of Fixed Price NTS System Entry Capacit	Is not a Self-Governance Modification - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	TS for RP X	X	X	X	NP	Does 0753 meet the Self-Governance Criteria?
	Modification 0753 issued to Workgroup 0753 with a report by the 15 April 2021 Panel - majority vote in favour (10 out of 13)	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	TS for RP X	X	✓	✓	NP	Should Request 0753 be issued to Workgroup 0753 with a report to be presented to the 15 April 2021 Panel?
Request 0754R - Investigate Advanced Analytic Options to improve NDM Demand Modelling	To consider Request 0754R, unanimous vote in favour (13 out of 13)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Consider Request 0754R	
	Request 0754R issued to Workgroup 0754R with a report by the 18 November 2021 Panel - unanimous vote in favour (12 out of 12)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NV	✓	✓	✓	NP	Should Request 0754R be issued to Workgroup 0754R with a report to be presented to the 18 November 2021 Panel?
Modification 0755 - Enhancement of Exit Capacity Assignments	Not related to the Significant Code Review - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Does Modification 0755 impact a Significant Code Review?
	Is not a Self-Governance Modification - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Does 0755 meet the Self-Governance Criteria?
	Modification 0755 issued to Workgroup 0755 with a report by the 20 May 2021 Panel - unanimous vote in favour (13 out of 13)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Should Modification 0755 bbe issued to Workgroup 0755 with a report to be presented to the 20 May 2021 Panel?
Modification 0756 - Changes to Offtake Profile Notice Submission Requirements	Not related to the Significant Code Review - unanimous vote against (13 out of 13)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	NP	Does Modification 0756 impact a Significant Code Review?
	Is a Self-Governance Modification - unanimous vote in favour (13 out of 13)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Does 0756 meet the Self-Governance Criteria?
	Modification 0756S issued to Workgroup 0756S with a report by the 15 April 2021 Panel - unanimous vote in favour (13 out of 13)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Should Modification 0755 bbe issued to Workgroup 0755 with a report to be presented to the 15 April 2021 Panel?

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In favour	Not Present
✓	NP

Modification	Vote Outcome	Shipper Voting Members						Transporter Voting Members					IGT Voting Member	Consumer Voting Member	Non-Domestic Consumer Voting Member	Determination Sought
		SM for AG	DF	MB	MJ	RF	SM	DL	GD	HC	RP	TS	RC	LS	NB	
Modification 0745 - Mandatory Setting of Auction Bid Parameters	Modification 0745 issued to consultation, with consultation closing out on 11 March 2021 - unanimous vote for (13 out to 13)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Should Modification 0745 be issued to Consultation, closing on 11 March 2021 and be consider at Short Notice at the February Panel meeting (includes a deemed request for Legal Text)?
Request 0646R - Review of the Offtake Arrangements Document	Reporting date for Workgroup 0646R extended to the 21 October 2021 Panel - unanimous vote for (13 out to 13)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Should the reporting date for Workgroup 0646R be extended to 21 October 2021 Panel?
Modification 0674 - Performance Assurance Techniques and Controls	Legal Text requested for Modification 0674 - unanimous vote for (13 out to 13)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Should Legal Text be requested for Modification 0674?
Modification 0741S - Updating specific gender references to neutral terms	Legal Text requested for Modification 0741S - unanimous vote for (13 out to 13)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NP	Should Legal Text be requested for Modification 0741S?

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

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FMR implementation votes should record either in favour or not present (or be blank) Mod Rules 9.4(b)

In favour	Not Present
✓	NP

**UNC Modification Panel
Minutes of Meeting 269 held on
Thursday 18 February 2021
via teleconference**

Attendees

Voting Panel Members:

Shipper Representatives	Transporter Representatives	Consumer Representatives
D Fittock (DF), Corona Energy M Bellman (MB), ScottishPower M Jones (MJ), SSE R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom Energy and alternate for A Green	D Lond (DL), National Grid G Dosanjh (GD), Cadent H Chapman (HC), SGN R Cailles (RC), BUUK R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks	L Snoxell (LS), Citizens Advice

Non-Voting Panel Members:

Chairperson	Ofgem Representative	Independent Supplier Representative
W Goldwag (WG), Chair	L King (LK)	(None)

Also, in Attendance:

- A Jackson (AJ), Gemserv
- B Fletcher (BF), Joint Office
- C Aguirre (AC), Pavilionenergy
- D Hisgett (DH), National Grid
- E Rogers (ER), Xoserve - CDSP Representative
- K Elleman (KE), Joint Office
- L Archer (LA), SGN
- L Hayworth, Cornwall Insight
- L Walker, Gilmond
- M Perry, (MP), Xoserve

M Simons (MS), Total Gas and Power

N Wye (NW), WatersWye

O Chapman (OC), Centrica

P Garner (PG), Joint Office

R Hailes (RH), Panel Secretary

Record of Discussions

269.1 Introduction

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

WG noted that this would be the last Panel meeting attended by L King (LK) and on behalf of all Panel Members, she thanked him for his contributions and support at previous meetings.

269.2 Note of any alternates attending the meeting

T Saunders for R Pomroy, Wales & West Utilities for item 269.10 a) below.

S Mulinganie for A Green, Total Gas and Power

269.3 Record of apologies for absence

A Green, Total Gas & Power

N Bradbury, EIUG

269.4 Minutes of the last meetings (21 January 2021)

Panel Members approved the minutes from the 21 January 2021.

269.5 Review of Outstanding Action(s)

Action PAN 11/02: The Panel Chair asked the Joint Office to review and provide clarification of Workgroup assessment and quoracy to avoid future debates on this topic.

Update: P Garner (PG) advised that this action is still being completed by the Joint Office and requested that Panel consideration is deferred to the April 2021 meeting. It was noted that this action is now due for discussion at the April 2021 meeting.

Carried Forward

Action PAN 12/01: BF, DF, PG to discuss potential options for considering Modifications with multiple alternatives.

Update: PG advised that a meeting has been arranged to discuss this action on 04 March 2021 and requested the action is carried forward to the March meeting. LK suggested that some sort of multi-vote preferential voting system could be adopted for Modifications with multiple alternatives as system of single vote preference voting may not always been adequate.

Carried Forward

Action PAN 01/01: Ofgem (LK) to consider the consultation duration for Urgent Modifications and provide a view on how these are established when considering the complexity of an individual modification.

Update: LK agreed to provide the following post meeting update for this action.

Post-meeting note

Ofgem have published guidance on the criteria we are likely to apply when considering whether to grant urgent status to modification proposals. We consider each request for urgency on its merits, and on a case by case basis referring to the guidance. When considering the timetable proposed to us we do consider the practicability of it and ability for parties to respond. We do not take the granting of urgent status lightly, and recognise it may constrain the ability for parties to further develop modification proposals, or ability to assess them to the fullest extent. However, this is a trade-off inherent in the use of urgent procedures and so we recommend code parties raise modification proposals in a timely manner so that a proposal receives careful industry consideration and avoids the risk of a constrained timetable under the urgency procedure.

Closed

Action PAN 01/02: The Joint Office (WG/PG) to provide an early draft of the Panel Chairs report to focus on style and layout.

Update: It was noted that this action is due for discussion at the March Panel.

Action PAN 01/03: Xoserve (ER) to provide an update as to any impacts on the UNC accession process caused by IX new installation delays.

Update: E Rogers (ER) advised that the accession steps for a new market entrant have been reviewed that it is clear in Code that IX connection needs to be installed before accession process is completed. Currently there are no delays anticipated, however access to third party premisses can be restricted at times due to the impacts of Covid.

Closed

Action PAN 01/04: Joint Office to request Workgroup Chairs to seek views of possible im-pacts of the potential code freeze on in-flight Modifications.

Update: R Hailes (RH) advised that an instruction has been issued to Workgroup chairs to ensure Workgroups consider the impacts of the proposed Code freeze. It was noted that the Joint Office is supporting the review of Legal Text for potential Code impacts due to the Significant Code Review (SCR). The assumption is the DSC needs to be included in this review process, although it is unclear at this stage if the scope of the Code Freeze includes the DSC.

S Mulinganie (SM) noted that consideration has started at DSC Committees and is subject to further clarity being provided.

Closed.

Action PAN 01/05: Joint Office to consider if additional guidance should be provided to proposers in the “Guidance for Proposers” document concerning the SCR impacts.

Update: BF advised that the Guidance for Proposers document has been amended and is for discussion under AOB items on the agenda item 269.15 c) below.

Closed

269.6 Issues log

RH confirmed that currently there is one issue. R Pomroy (RP) suggested that it should be down to individuals to consider if further work is required on the definition of materiality and bring forward a Modification if needed.

It was agreed to put this issue on hold.

Meeting Date	Minutes Ref.	Issue	Issue Raised By	Status	Owner
1	268.8	Lack of clarity around the definition of Materiality in respect of a Variation Request for a Modifications	JO	On Hold	None

269.7 Consider Urgent Modifications

a) None

269.8 Consider Variation Request

a) None.

269.9 Final Modification Reports

a) **Modification 0735VS - UNC Changes as a consequence of the United Kingdom’s exit from the European Union**

Panel discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0735>

There were no queries in relation to the Legal Text.

Panel Members considered the Relevant Objectives and updates were captured in the Final Modification Report.

Panel Members then determined (13 Panel votes were available for the determinations):

- That there were no new issues requiring a view from Workgroup, by unanimous vote (13 out of 13).
- It is not related to the Significant Code Review, by unanimous vote (13 out of 13).
- To Implement Modification 0735VS, majority vote in favour (11 out of 13).

b) Modification 0739 - Aggregate overrun regime for Original Capacity held at the Bacton ASEPs

Panel discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0739>

WG noted that the number of representations provided was small. A number of Panel Members agreed that the lack of responses was concerning due to the potential lack of wider industry engagement. SM was concerned that without wider views being provided, Panel was reliant on members own knowledge which raises a question, should Panel have access independent legal advice.

There were no queries in relation to the Legal Text.

Panel members considered the Relevant Objectives and updates were captured in the Final Modification Report.

Panel Members then determined (13 Panel votes were available for the determinations):

- That there were no new issues requiring a view from Workgroup, by unanimous vote (13 out of 13).
- It is not related to the Significant Code Review, by unanimous vote (13 out of 13).
- Recommendation to implement Modification 0739, majority vote in favour (10 out of 13).

c) Modification 0743S - Revisions to User Termination Provisions

Panel discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0743>

There were no queries in relation to the Legal Text.

Panel Members considered the Relevant Objectives and updates were captured in the Final Modification Report.

Panel Members then determined (13 Panel votes were available for the determinations):

- That there were no new issues requiring a view from Workgroup, by unanimous vote (13 out of 13).
- It is not related to the Significant Code Review, by unanimous vote (13 out of 13).
- To implement Modification 0743S, by unanimous vote in (13 out of 13).

269.10 Consider New, Non Urgent Modifications

a) Modification 0753 - Removal of Pricing Disincentives for Secondary Trading of Fixed Price NTS System Entry Capacity

N Wye (NW) provided a presentation to explain the reasons why this Modification had been submitted (originally requesting urgency). This is in part due to the recent changes to Code pricing methodologies following regulation changes. The subsequent responses by the market have created impacts on the operation of the market which could be considered discriminatory.

NW suggested that the timetable should be expedited to ensure a speedy correction to the market.

T Saunders (TS) asked if the 45% reduction in entry capacity is mainly due to sleeving. NW confirmed this is the assumption and they have not been able to identify any other significant impacts.

TS was unsure what is being with purchased with capacity and could this be clarified. However, she felt two months development time may prove to be insufficient and should be extended.

NW advised the Modification does not propose to undermine the initial contract and pricing as the RRC is an additional charge, with no additional pricing impacts. He clarified that the implementation of Modification 0678A has created an issue which was not known at the time the Modification was developed which needed to be addressed quickly.

R Fairholme (RF) noted the complexity and the already well developed Modification Solution, but these issues have been discussed previously at NTSCMF, he did not think it should extend the development time as parties understand the history and the issues.

D Lond (DL) noted the detail in the Modification and agreed that 2 months should be sufficient for assessment, but this is dependent on the nature of the questions and associated analysis requested at workgroup. An extension could be requested after the first meeting should there be a need.

L Snoxell (LS) requested the workgroup to clearly set out any consumer impacts and issues within the report.

Workgroup Questions:

1. Consider consumer implications and provide an update.

For Modification 0753 Members determined (13 Panel votes were available for the determinations):

- It is not related to the Significant Code Review, by unanimous vote (13 out of 13).
- The criteria for Self-Governance are 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 (13 out of 13).
- That Modification 0753 be issued to Workgroup 0753 with a report by the 15 April 2021 Panel, by majority vote (10 out of 13).

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

M Perry (MP) provided a presentation to explain the reasons why this Request had been submitted and to clarify the process for the review being proposed. He explained that the main driver for the review was due a recommendation made by the UIG Task Force. The aim is to consider how machine learning or other advanced analytics could be adopted to improve the accuracy of allocation modelling.

MP advised that Xoserve had run a consultation to test support for the review and what should be included in the scope.

WG asked if the industry has sufficient people available with the correct skill set to ensure the review was successful. SM felt the industry has the right people available as allocation modelling underpins Shippers businesses, some of these could attend and support the Workgroup.

G Dosanjh (GD) suggested it would be beneficial to have the Workgroup meet as a standalone Workgroup.

DL asked how the proposals would be managed in terms of scope and their potential impacts on other process that utilise information from the current modelling. MP noted the concerns but felt it would help to improve accuracy in allocation and not necessarily change overall demand assumptions such as those used in calculating peak 1 in 20 demands.

TS noted that colleagues who currently support DESC should be able to support this Workgroup.

L Walker (LW) suggested the Workgroup seek supporting information from the various Electra link groups that might be able to offer support. ElectraLink have a Theft Issues Group, Theft Expert Group and Theft Steering Group that you may be able to approach for assistance. SM agreed with this view.

H Chapman (HC) noted the current industry work commitments and suggested that Panel consider if the review should be prioritised over other work that is currently in flight. MP advised that the proposal is for workgroup to report by November so there shouldn't be a need to interfere with other work commitments.

Workgroup Questions:

1. The Workgroup to provide an interim report assessing the reporting schedule.
2. Consider UNC IGT cross code impacts.
3. Consider consumer implications and provide an update.
4. Confirm that potential changes wont have undue impacts on other processes.

For Request 0754R Members determined (13 Panel votes were available for the determinations):

- That Request 0754R should be considered by Panel, by unanimous vote (13 out of 13).
- That Request 0754R be issued to Workgroup 0754R with a report by the 18 November 2021 Panel, by unanimous vote (13 out of 13).

c) Modification 0755 - Enhancement of Exit Capacity Assignments

D Hisgett (DH) advised that this Modification has been raised as currently the UNC enables full Assignment of Exit Capacity. However, a need was highlighted to allow parties to Assign Exit Capacity in partial volumes.

UNC Modification 0276 raised in 2010 proposed a method to do so using a User Pays approach for cost recovery. Although Modification 0276 was approved it was not implemented due to a dispute over the costs and their recovery.

R Pomroy (RP) noted that this is a reintroduction of a previous modification and that it only applies to Shippers and not currently DNOs. Should this Modification be expanded to achieve what was being proposed under Modification 0671 which was withdrawn. HC supported this view.

DH agreed to consider this option at Workgroup.

Workgroup Questions:

1. Should scope be extend to include DNOs or just be restricted to Shippers.
2. Would there be Cross Code impact if the scope is extended to DNOs.

For Modification 0755 Members determined (13 Panel votes were available for the determinations):

- It is not related to the Significant Code Review, by unanimous vote (13 out of 13).
- The criteria for Self-Governance are 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 (13 out of 13).
- That Modification 0755 be issued to Workgroup 0755 with a report by the 20 May 2021 Panel, by unanimous vote (13 out of 13).

d) Modification 0756 - Changes to Offtake Profile Notice Submission Requirements

DH advised that Modification 0756 has been raised to allow the OPN to be submitted using either volume and/or energy values. This would offer customer benefits and choice while requiring minimal system changes.

RF asked if there were material impacts DNOs would they be excluded from this process. DH noted the concern and advised the aim is to minimise changes to both DNO and NTS systems.

For Modification 0756 Members determined (13 Panel votes were available for the determinations):

- It is not related to the Significant Code Review, by unanimous vote (13 out of 13).
- The criteria for Self-Governance are 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 (13 out of 13).
- That Modification 0756S be issued to Workgroup 0756S with a report by the 15 April 2021 Panel, by unanimous vote (13 out of 13).

269.11 Existing Modifications for Reconsideration

- a) None

269.12 Workgroup Issues

- a) None

269.13 Workgroup Reports for Consideration

a) Modification 0745 - Mandatory Setting of Auction Bid Parameters

Panel Members noted the Workgroup Report recommendations that this Modification should be issued to consultation.

For Modification 0745, Members determined (13 Panel votes were available for the determinations):

- Modification 0745 should be issued to consultation with a close out date of 11 March 2021 (this includes a deemed request for Legal Text), by unanimous vote (13 out of 13).

269.14 Consideration of Workgroup Reporting Dates and Legal Text Requests

Panel Members determined unanimously to extend the following Workgroup reporting date(s), recorded here with some additional data:

Modification number and title	Current Panel reporting date	Requested Panel reporting date	Reason for request to change Panel reporting date/Comments
Request 0646R - Review of the Offtake Arrangements Document	April 2021	October 2021	Issues require further consideration.

Panel Members discussed Legal Text requests and determined unanimously to make a legal text request for the following Modification(s):

Legal Text Requests for Modifications
Modification 0674 - Performance Assurance Techniques and Controls
Modification 0741S - Updating specific gender references to neutral terms

269.15 AOB

a) Legal Text Guidance Document – Annual Review

RH advised that following the receipt of comments these are being collated for presentation to the April Panel.

Members agreed to defer discussion to the April meeting.

b) Proposed Update to UNC Modification Template

RH informed Panel Members that she has met with a number of colleagues to consider amendments to the templates. The proposed amendments will be presented to Panel at a suitable time, probably after the Covid-19 period.

The review is aiming to reduce the number of repeat instructions and improve clarity for proposers and other parties.

WG felt that an “idiots guide” to the template would be useful as a standalone document if there were a significant number of parties that are new to the process. However, if most are conversant then there is less need. PG agreed and clarified that critical friend process aims to support parties and in particular new market entrants.

LS wanted to understand what post Covid-19 means, could a defined time be identified as she was concerned that Panel shouldn’t overly delay improvements in the consumer impacts section. PG suggested the aim is present comments soon after Easter. TS suggested an update should be provided by the May Panel at the latest.

It was noted that changes would need to be presented at CACoP as any amendments needed to be consistent across Codes and subject to approval by CACoP participants.

DL agreed, although he noted the consumer impacts amendments had already been approved at CACoP.

c) Guidance for Proposers – Annual Review

RH advised that this document was being reviewed alongside the Modification Template and amendments would be presented at the same time.

d) SAGE Modification

RH advised that following the response received for Panel Action PAN 01/03 above, where it has been confirmed that accession requires the installation of IX equipment; this draft Modification is to be removed and the proposer advised that they can submit a Modification once the accession process has concluded.

e) Code Changes under the Retail Code Consolidation Significant Code Review (Ofgem Letter)

Please see response to Panel Action PAN 01/04 above. There was no further discussion on this item.

f) User Representatives Appointment Process - Potential Improvements to the process.

RH advised that the annual Shipper User appointment process is available for review and any comments should be submitted well in advance of the User appointment process commencing in June 2021.

As a reminder PG noted that Panel members are appointed for 2 years which ends on 30 September 2021, therefore this year's election process would include Panel membership.

g) H100 Fife - Project Introduction

HC provided an overview of the proposed H100 Fife project and the establishment of a discreet hydrogen network as a support trial to demonstrate the decarbonisation of gas networks.

LA provided an overview of the H100 Fife Project which is to utilise the use of 100% hydrogen in a discrete part of the network serving approximately 300 properties. Hydrogen is to be produced utilising a nearby coastal wind turbine.

The network will duplicate an existing Natural Gas network so that consumers will have a choice of which network they will be connected to during the trial.

RP noted the duplicate network, how does this impact the UNC as it fails to qualify as a UNC Natural Gas network – is the approach the same as used for Liquefied Natural Gas (LNG) networks? HC advised the approach would be like that used for LNG with the aim of mirroring existing arrangements so that consumers will still be able to switch suppliers.

SM noted that consumer properties will maintain a connection to the Natural Gas network so UNC rules would apply. Is it likely this project might impact the faster switching project and how would switches across the network be managed, particularly around I&C customers. HC noted these concerns and agreed these will be issues will need to be considered as the project develops. Physical connections will be managed, but the UNC system impacts need to be considered further.

WG asked if there were any other projects being considered, briefings would be welcomed. GD advised that Cadent intends to provide a briefing on hydrogen projects to the Distribution and Transmission Workgroup meetings.

h) Update on Modification 0726 (Urgent) - COVID-19 Liquidity Relief Scheme for Shippers

SM requested a view from Transporters on the accruing of bad debt and how it is proposed to be managed going forward.

TS provided a view on behalf of Transporters as follows:

The Modification 0726 scheme is now almost complete with the final deferred payments due before the end of March. There has been a single case of a shipper utilising the scheme failing and potential bad debt being incurred although this did not impact all GTs. In accordance with the arrangements agreed with Ofgem, Each GTs will use interest received from all shippers within the scheme to offset bad debt in the first instance. Each GTs will also pursue any security or surety that they hold in accordance with UNC Section V to try and recover any bad debt from the failed shipper. Each GTs submitted provisional figures of expected bad debt to Ofgem in December, and Ofgem have allowed recovery of this within the 2021/22 pricing. As a result, the net additional costs included in pricing for this is approximately £1.9m across all GTs. Should a GT we manage to recover any additional money either from UNC security or surety or from the company administrator this will be trued up in next year's transportation pricing in accordance with the licence mechanism.

269.16 Date of Next Meeting(s)

10:00, Thursday 18 March 2021, by teleconference.

Action Table (18 February 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update	Date of Expected update
PAN 11/02	19/11/20	265.8	The Panel Chair asked the Joint Office to review and provide clarification of Workgroup assessment and quoracy to avoid future debates on this topic.	Joint Office	Carried Forward	April 2021
PAN 12/01	17/12/20	267.14	BF, DF, PG to discuss potential options for considering Modifications with multiple alternatives.	Joint Office (BF/PG)	Carried Forward	March 2021
PAN 01/01	21/01/21	268.7 a)	Ofgem (LK) to consider the consultation duration for Urgent Modifications and provide a view on how these are established when considering the complexity of an individual modification.	Ofgem (LK)	Closed	Closed?
PAN 01/02	21/01/21	268.15 c)	The Joint Office (WG/PG) to provide an early draft of the Panel Chairs report to focus on style and layout.	Joint Office (WG/PG)	Pending	March 2021
PAN 01/03	21/01/21	268.15 f)	Xoserve (ER) to provide an update as to any impacts on the UNC accession process caused by IX new installation delays.	Xoserve (ER)	Closed	None
PAN 01/04	21/01/21	268.15 g)	Joint Office to request Workgroup Chairs to seek views of possible impacts of the potential code freeze on in-flight Modifications	Joint Office (PG)	Closed	None
PAN 01/05	21/01/21	268.15 g)	Joint Office to consider if additional guidance should be provided to proposers in the "Guidance for Proposers" document concerning the SCR impacts	Joint Office (BF)	Closed	None