

Record of Determinations:

Panel Meeting 265 19 Nov 2020

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
		AG	DF	MB	MJ	RF	SM	PH- DL	GD	HC	RP	TS	RC	LS	NB	
<b>Modification 0741 - Updating specific gender references to neutral terms</b>	Not related to the Significant Code Review - unanimous vote against (13 out of 13)	X	X	NP	X	X	X	X	X	X	X	X	X	X	X	Does Modification 0741 impact a Significant Code Review?
	Is a Self-Governance Modification - unanimous vote against (13 out of 13)	✓	✓	NP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does 0741 meet the Self-Governance Criteria?
	Modification 0741S issued to Workgroup 0741S with a report by the 18 March 2021 Panel - unanimous vote in favour (13 out of 13)	✓	✓	NP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0741S be issued to Workgroup 0741S with a report to be presented to the 18 March 2021 Panel?
<b>Modification 0743 - Revisions to User Termination Provisions</b>	Not related to the Significant Code Review - unanimous vote against (13 out of 13)	X	X	NP	X	X	X	X	X	X	X	X	X	X	X	Does Modification 0743 impact a Significant Code Review?
	Is a Self-Governance Modification - unanimous vote in favour (13 out of 13)	✓	✓	NP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does 0743 meet the Self-Governance Criteria?
	Modification 0743S issued to Workgroup 0743S with a report by the 18 February 2021 Panel - unanimous vote in favour (13 out of 13)	✓	✓	NP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0743S be issued to Workgroup 0743S with a report to be presented to the 18 February 2021 Panel?
<b>Modification 0744 - Remove redundant reference to NTS Optional Commodity Charges</b>	Not related to the Significant Code Review - unanimous vote against (13 out of 13)	X	X	NP	X	X	X	X	X	X	X	X	X	X	X	Does Modification 0744 impact a Significant Code Review?
	Is a Self-Governance Modification - unanimous vote in favour (13 out of 13)	✓	✓	NP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does 0744 meet the Self-Governance Criteria?
	Is a Fast-Track Self-Governance Modification - unanimous vote in favour (13 out of 13)	✓	✓	NP	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does 0744S meet the Fast Track-Self-Governance Criteria?
	Modification 0744FT implemented - unanimous vote in favour (14 out of 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should 0744FT be implemented?
	Not related to the Significant Code Review - unanimous vote against (14 out of 14)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	Does Modification 0745 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
		AG	DF	MB	MJ	RF	SM	PH- DL	GD	HC	RP	TS	RC	LS	NB	
<b>Modification 0745 - Mandatory Setting of Auction Bid Parameters</b>	Is NOT a Self-Governance Modification - majority vote in favour (8 out of 14)	X	X	✓	X	✓	X	✓	✓	✓	X	X	X	X	✓	Does 0745 meet the Self-Governance Criteria?
	Modification 0745 issued to Workgroup 0745 with a report by the 18 February 2021 Panel - unanimous vote in favour (14 out of 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0745 be issued to Workgroup 0745 with a report to be presented to the 18 February 2021 Panel?
<b>Modification 0736 and Modification 0736A - Clarificatory change to the AQ amendment process within TPD G2.3</b>	Modification 0736A no longer considered an alternative to Modification 0736 - unanimous vote in favour (14 out of 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0736 be decoupled from 0736A and 0736A renumbered as 0746?
	Is a Self-Governance Modification - unanimous vote in favour (14 out of 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does 0736 meet the Self-Governance Criteria?
<b>Modification 0731S - Introduction of an Annual Modification Panel Report</b>	Modification 0731S issued to consultation, with consultation closing out on 10 December 2020 - unanimous vote for (14 out to 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0731S be issued to Consultation, closing on 10 december 2020?
<b>Modification 0735 - UNC Changes as a consequence of the absence of trade agreement/s between the United Kingdom and the European Union ('no deal')</b>	Is a Self-Governance Modification - unanimous vote against (14 out of 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Does 0735 meet the Self-Governance Criteria?
	Modification 0735S issued to consultation, with consultation closing out on 10 December 2020 - unanimous vote for (14 out to 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0735S be issued to Consultation, closing on 10 december 2020?
<b>Modification 0737 - Transfer of NTS Entry Capacity from an abandoned ASEP</b>	Legal Text requested for Modification 0737- unanimous vote for (14 out to 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Legal Text be requested for Modification 0737?
<b>Modification 0738 - Incremental NTS Entry Capacity Surrender</b>	Legal Text requested for Modification 0738- unanimous vote for (14 out to 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Legal Text be requested for Modification 0738?

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

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		AG	DF	MB	MJ	RF	SM	PH- DL	GD	HC	RP	TS	RC	LS	NB	

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In favour	Not Present
✓	NP

**UNC Modification Panel**  
**Minutes of Meeting 265 held on**  
**Thursday 19 November 2020**  
**via teleconference**

**Attendees**

**Voting Panel Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representatives</b>
A Green (AG), Total Gas & Power	H Chapman (HC), SGN	L Snoxell (LS), Citizens Advice
D Fittock (DF), Corona Energy	G Dosanjh (GD), Cadent	N Bradbury (NB), EIUG
M Bellman (MB), ScottishPower( joined after 11.00am)	P Hobbins (PH), National Grid	
M Jones (MJ), SSE	R Cailles (RC), BUUK	
R Fairholme (RF), Uniper	R Pomroy (RP), Wales & West Utilities	
S Mulinganie (SM), Gazprom Energy	T Saunders (TS), Northern Gas Networks	

**Non-Voting Panel Members:**

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

**Also, in Attendance:**

B Fletcher (BF), Joint Office  
 E Rogers (ER), Xoserve - CDSP Representative  
 K Jones (KJ), Joint Office  
 L O'Shaughnessy, Joint Office  
 M Walls (MW), Ofgem  
 O Chapman (OC), Centrica  
 P Garner (PG), Ofgem  
 R Hailes (RH), Panel Secretary

S McSweeney (SMcS), E.ON (agenda item 265.8a)

### Record of Discussions

#### 265.1. Introduction

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

#### 265.2. Note of any alternates attending meeting

P Hobbins for D Lond

#### 265.3. Record of apologies for absence

A Jackson (AJ), Gemserve - IGT UNC Panel Chair  
D Lond, National Grid – Transporter Representative

#### 265.4. Minutes of the last meetings (15 October 2020)

Panel Members approved the minutes from the 15 October 2020, noting there had been the following amendments:

- a. A minor amendment to the Workgroup reporting date in relation to Modification 0738 (agenda item 264.8a), which should say December 2020 and not November 2020
- b. The minor amendments provided by D Lond in relation to the Determinations Table and agenda item 264.4.
  - Incorrect title for Modification 0691S in the Determinations Table.
  - Incorrect spelling of surname in agenda item 264.4.

#### 265.5. Review of Outstanding Action(s)

**Action PAN 04/11: Agenda Item 250.11** Code Administrator (JO) to draft a straw person template/dashboard showing Management Information for Modifications in flight for Panel to consider in January 2020. WG suggested that this was a good idea and would also allow the linkages with the Modification 0731S - *Introduction of an Annual Modification Panel Report* to be explored.

**Update:** R Hailes (RH) provided an update stating that this information will be included as part of the proposed Annual Report under Modification 0731S.

#### Closed

**Action PAN 10/01:** Agenda Item 264.7: Northern Gas Networks (NGN) to provide an update on the reporting requirements of the COVID-19 Liquidity Relief Scheme discussed with Ofgem.

**Update:** T Saunders (TS) provided an update stating that the outstanding information had since been published. With respect to information on the visibility of defaulting or failing companies she indicated that this information cannot be shared because it is commercially sensitive.

S Mulinganie (SM) expressed concern that as Shippers are required to underwrite the scheme, they will have to share the cost of any recovery that is needed if any payment shortfall greater than the amount offset by invoice interest. He therefore requested more visibility of the possible level of mutualisation that might be needed, at an aggregate level.

TS stated that the final position will not be known until the end of the scheme.

Panel Members agreed to close this action and requested that Northern Gas Networks provide more information at the next meeting on how and when the information on defaults will be provided.

**Closed**

**New Action PAN 11/01: Agenda item 265.5** - Northern Gas Networks (TS) to provide an update on the COVID-19 Liquidity Relief Scheme in terms of what information will be available to industry in relation to defaulting or failing companies and an estimate of any recovery that might be needed and when this information will be available.

**265.6. Issues log**

RH confirmed that there are no current issues.

Meeting Date	Minutes Ref.	Issue	Issue Raised By	Status	Owner
		No current issues			

**265.7. Urgent Modifications**

**a) Modification 0678A - Amendments to Gas Transmission Charging Regime (Postage Stamp)**

SM asked for an update in relation to the Indicative Notice of Intention to update Transmission Services Revenue Recovery charges and Non-Transmission Charges. He indicated that National Grid had held an urgent industry webinar and alerted industry to a potential £100m revenue shortfall and the need to raise Urgent Modifications to address this shortfall. Given that the webinar was held on 10 November he sought more information on the timeline for the Urgent Modification(s) that would be needed.

Phil Hobbins(PH) agreed to provide an update.

**Post-Meeting Update provided by National Grid**

Further to recent discussions with industry in relation to the under-recovery of NTS Allowed Revenue following implementation of Modification 0678A, National Grid NTS expects to raise urgent modification(s) during the week commencing 23 November 2020 to address this issue.

**265.8. New, Non-Urgent Modifications**

The Panel Chair made a generic point that as the industry faced a degree of uncertainty and restrictions due to the COVID-19 Pandemic, it would be helpful for the wider industry and Ofgem for Proposers to note the importance of simplicity and clarity in Modifications and that where possible should avoid making changes unnecessarily complex.

**a) Modification 0741 - Updating specific gender references to neutral terms**

Seán McSweeney (SS) introduced the Modification highlighting the reasons for the change which are to ensure the UNC remains up to date and in line with current day references and particularly in line with newer codes such as the Retail Energy Code (REC) which uses gender neutral terms.

A single option has been considered to update all gender referencing in the UNC Legal Text and subsidiary documents and to replace them with neutral terms detailed in the solution. Gender specific references such as 'he', 'him', 'his', 'her', 'Chairman' etc would be replaced by neutral terms such as 'their', 'them', 'they' and Chairperson. SMcS provided some examples to illustrate this.

He added that there is also an intention to address some documents which may not be under direct UNC governance e.g. BG Document 76. As it is not clear to the industry where the document ownership currently resides, this will be considered as part of Workgroup discussion.

He further added that Self-Governance is proposed with just one-month for development. Cadent as the Legal Text provider has confirmed that the text can be provided by the end of December so that it can be reviewed at a January meeting.

Hilary Chapman (HC) suggested that the Legal Text might be more complicated than expected and sufficient time should be allowed to review it.

TS echoed this stating that care needs to be taken where the text to be changed is in the singular and becomes plural or referencing two individual parties i.e. 'they'.

In addition, she added that the Transition document does not need changing as it is not active in code.

Liam King (LK) asked if there is a case for stripping out defunct code to ensure it is always reflective of the current live version.

Panel Members agreed that this should not be the purpose of this Modification and removal of any aspects of the UNC no longer in use should be a separate exercise.

Richard Fairholme (RF) asked whether the impact on ancillary UNC related documents and Shipper contractual documents would also be assessed as part of this Modification.

SMcS confirmed that as part of the high-level review carried out it was noted that gender specific references occur not only in the main documents but also in the ancillary and guidance documents. He stated that a summary of the UNC documents is provided in the annex to the Modification.

RF suggested that Energy Balancing Credit Rules might also need to be considered.

Richard Pomroy (RP) pointed out that the UNC European Interconnection Document (EID) was not included in the reference documents in the Modification

also that the spelling of 'Transportation Principle Document' was incorrect and that it should be 'Transportation Principal Document'.

Panel Members discussed which Workgroup this Modification would be assessed at. Panel Members agreed that assessment at Distribution Workgroup alone was not sufficient and that the discussion should be wider and include Transmission and Governance Workgroups.

Phil Hobbins(PH) suggested that it was not efficient for both Distribution and Transmission Workgroups to assess the Modification and suggested that one Workgroup takes the lead and the other receives the findings for information and comment.

Following considerable discussion, Panel Members agreed that the appropriate forum was Governance Workgroup and that the issues of quoracy need to be addressed. It was noted that some Governance meetings had been cancelled and there were no planned meetings in place. It was agreed that a meeting of the Governance Workgroup would be convened in January 2021 to include this Modification 0741 and also Request 0676R - Review of Gas Transporter Joint Office Arrangements.

Panel Members also stressed the importance of industry engagement to ensure that the Legal Text is thoroughly examined.

**Workgroup Questions:**

1. Workgroup to consider the potential impacts on UNC Related Documents and various Industry Contractual Documentation.

For Modification 0741 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 the Modification does not have a material impact on gas consumers, competition, pipeline operations, security of supply, governance procedures and does not discriminate between code parties., by unanimous vote (13 out of 13).
- That Modification 0741S be issued to Workgroup 0741S with a report by the 18 March 2021 Panel, unanimous vote (13 out of 13).

**b) Modification 0742 - Amendment to Gas Quality NTS Entry Specification at the St Fergus SAGE System Entry Point**

R Hailes (RH) informed Panel Members that this Modification has not been fully raised as the Shipper is not yet a UNC Code Party. She highlighted that the Joint Office has identified a vulnerability in the process used to determine whether a Proposer is a Relevant Shipper as defined by Code. Normally this process only involves checking that the Shipper is listed on Ofgem's [list](#) of all gas licensees. However, this due diligence check does not guarantee that the Shipper is live in UKLink and has acceded to Code.

RH added that the Joint Office has been liaising with the Proposer and Xoserve's Customer Lifecycle team to establish the status of SAGE North Sea Ltd becoming a UNC Party.

Ellie Rogers (ER) confirmed that the accession process timescales are normally up to three months but it can take longer.

Panel Members agreed that this Modification is not valid and therefore cannot proceed until the Proposer is a UNC Code Party and whilst this might be disappointing, the Proposer has the option to seek a sponsor who is a UNC Code Party if the change is considered to be urgent.

**c) Modification 0743 - Revisions to User Termination Provisions**

Phil Hobbins (PH) introduced this Modification, highlighting that changes are required to the Uniform Network Code (UNC) following the implementation of the Corporate Insolvency and Governance Act 2020 ('CIGA') in June 2020. CIGA has the effect of limiting the circumstances in which a Termination Notice can be issued to a User so this Modification aims to acknowledge these limitations in the UNC.

He explained that the change is straightforward and simply addresses an inconsistency to correct the UNC.

SM asked why Self-Governance Fast Track is not being proposed.

RP suggested that although the changes are minor the Self-Governance Fast Track criteria are not met because it is not a housekeeping change.

The Panel Chair queried why three months development time is proposed given the simplicity of the change. PG explained that the Panel normally allows a minimum of three months development time and that the option is available to report to Panel early if required.

HC queried assessment of this Modification at Transmission Workgroup and suggested that Governance Workgroup was more appropriate.

Loraine O'Shaughnessy (LOS) reported that aspects of this topic will also be discussed at the Energy Balancing Credit Committee (EBCC) on 23 November 2020.

Panel Members discussed which Workgroup this Modification should be assessed at and whether it should be Transmission, Distribution, Governance or multiple Workgroups. Panel Members revisited the issue of quoracy at Governance Workgroup and also took into consideration that the next meeting of Governance is not until January 2021 before agreeing that assessment should be at Transmission Workgroup.

**New Action PAN 11/02: Agenda item 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.

For Modification 0743 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 0743S be issued to Workgroup 0743S with a report by the 18 February 2021 Panel, by unanimous vote (13 out of 13).
- The Modification Panel determined to defer consideration to the 18 February 2021 meeting, by unanimous vote (13 out of 13).

**d) Modification 0744 - Remove redundant reference to NTS Optional Commodity Charges**

Phil Hobbins (PH) introduced this Modification, highlighting that this is a housekeeping change to facilitate the removal of the wording 'NTS Optional Commodity Charges' in UNC TPD Section S Annex S-1 4(a)(iii), following the production of September 2020 transportation invoices.

SM reiterated his earlier question as to why Modification 0743S is not Fast-track. PH explained that the wording 'NTS Optional Commodity Charges' is no longer in the UNC but is still in UNC TPD Section S because of the September invoicing, so this is a housekeeping change to remove the redundant wording.

For Modification 0744 Members determined (13 Panel votes were available for the determinations, except the last vote when 14 votes were available):

- 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 existing or future gas consumers, competition between parties, operation of network systems or UNC procedures nor unduly discriminates between different classes of UNC parties, by unanimous vote (13 out of 13).
- The criteria for Fast-Track Self-Governance are met, by unanimous vote (13 out of 13).
- To implement Modification 0744FT by unanimous vote (14 out of 14).

**e) Modification 0745 - Mandatory Setting of Auction Bid Parameters**

Phil Hobbins (PH) introduced this Modification, highlighting that recently a number of Users have made errors when bidding in capacity auctions and that erroneous bids can impact other parties. National Grid is aiming to reduce the chances of errors occurring by making it mandatory to set the bid parameters before bids can be successfully placed.

He added that even though the Operational Forum is and has been used to make Users aware, there are still many Users not using the functionality. In addition to this proposal, National Grid will also consider other system options.

PH concluded his presentation by stating that National Grid needs to safeguard against the risk of error.

Nigel Bradbury (NB) was concerned that the system options were not fully known. PH suggested that a functionality change in Gemini is likely to be proposed.

NB sought assurance that these bidding errors were not also being double counted as part of the under recovery relating to the implementation of Modification 0678A - *Amendments to Gas Transmission Charging Regime (Postage Stamp)*.

TS queried if this change alters the UNC or whether it is a system validation change.

PH stated that National Grid had considered this and suggested that it is a UNC Change.

Lauren Snoxell (LS) asked why Shippers are not currently setting bid parameters. SM agreed suggesting that the consequence of errors is on Shippers and suggested that Shippers could set broad parameters.

PH clarified that other Users are impacted by erroneous bids. Mark Bellman (MB) agreed that erroneous bids can impact other parties as well as the individual who has placed the bid.

SM also sought clarification that the £15m that flowed into Neutrality for October related to changes arising as a result of Modification 0678A and not as a result of User errors when entering bids. So for the avoidance of doubt, SM wanted to check that this Modification does not have any relevance to the £15m that flowed into Neutrality in October.

Panel Members discussed the proposed governance of the Modification with some Panel Members suggesting that the impact could potentially be material.

Liam King (LK) suggested that the information is not available to understand the impact on parties and National Grid would be expected to take necessary steps to make systems more user friendly and efficient. He suggested that evidence would be needed to support why this Modification should be considered as Authority Direction.

### **Post meeting update from National Grid**

PH provided some information in relation to the detail of [prevention and process around capacity booking issues](#) (presented by A Tann, National Grid Capacity Manager) and the full [presentations](#) from the 17 September 2020 Gas Operational Forum.

### **Workgroup Questions:**

1. Workgroup to consider potential 'double counting' concerns and to what extent have the consequences of bid errors impacted upon the current under-recovery situation (i.e. capacity neutrality being altered from what it

otherwise would have been, in particular during October 2020).

2. Workgroup to consider the question of materiality, and as a consequence, the suitability of Self-Governance status for the Modification.

For Modification 0745 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).
- The criteria for Self-Governance are NOT met, as this Modification is likely to have a material effect on existing or future gas consumers, competition between parties, operation of network systems or UNC procedures nor unduly discriminates between different classes of UNC parties, by majority vote (8 out of 14). Modification 0745 will therefore follow Authority Direction procedures.
- That Modification 0745 be issued to Workgroup 0745 with a report by the 18 February 2021 Panel, by unanimous vote (14 out of 14).

The Panel Chair asked Panel Members to consider if there were any cross-code issues in relation to any of the non-urgent New Modifications 0741, 0743, 0744 and 0745.

RH confirmed that previously Panel agreed that Joint Office should issue an email to the IGT UNC Chair to highlight any new Modifications that might have cross-code implications.

RP suggested that whilst Modification 0743S does not directly impact IGT-UNC it may be of interest to them.

RC reported that there is an IGT equivalent Modification to 0741: IGT147- Updating Specific Gender References to Neutral terms.

TS pointed out the cross-code impacts are discussed as part of Workgroup development.

In the context of the Ofgem decision in relation to EDF's appeal to the implementation of UNC692S 'Automatic updates to Meter Read Frequency', Panel Members noted that Ofgem highlighted that cross-code impacts had not been fully discussed and resolved by industry. Other than IGT UNC, Panel Members questioned how much knowledge there is of other codes.

PG reminded Panel Members that the Code Administration Code of Practice (CACoP) requires consideration of the potential impacts on all Codes.

## **265.9. Existing Modifications for Reconsideration**

### **a) Modification 0692S – Automatic Updates to Meter Read Frequency**

LK reported that Ofgem published their decision in relation to the appeal from EDF to the implementation of Modification 0692S. He provided a brief comment in relation to the cross-code impacts identified in the letter as a weakness in the process. He suggested that as the Joint Office attends CACoP forums there is

engagement with other Code parties and as such expects information to be shared on any cross-code impacts. He also suggested that the Joint Office should support Panel Members with any gaps in knowledge.

A further Panel discussion was held on the assessment of cross-code impacts. PG indicated that the Joint Office is a Code Administrator and not a Code Manager and do not hold the expertise to understand all Code impacts. She suggested that the Joint Office role is limited to providing an opportunity to discuss cross-code impacts. She also added that CACoP meetings do not discuss individual Modifications but broad principles relating to process.

LOS agreed confirming that CACoP meetings only provide an opportunity to raise awareness of a potential cross-code impact.

The Panel Chair agreed that it is not clear whether Panel Members or the Joint Office have the ability to comment on the UNC and other codes to assess cross-code impacts and suggested that there is not an appropriate forum for these discussions either.

Dan Fittock (DF) expressed frustration and pointed out that he has raised this issue previously on a number of occasions to highlight that CACoP is not a helpful industry forum to discuss cross-code issues. He asked LK to provide a view on CACoP and suggested that more strategic direction from Ofgem would be welcomed.

SM agreed with PG that the Joint Office is not funded as a Code Manager and suggested that this needs to change if the role includes co-ordination and assessment of cross code impacts.

LK reiterated that there is an expectation that code change is aligned between Codes and suggested that it was not clear what further direction Ofgem needs to give to encourage that this is done.

Michael Walls (MW) provided some more context suggesting that with the need to change several service flags there was an impact with the Smart Energy Code (SEC). He suggested that as a Panel Member is also on the SEC Panel there was an opportunity to address cross code issues. He added that Ofgem expects industry parties through Workgroup meetings, industry consultations, Modification Panel and the Joint Office to ensure that a Modification can be successfully implemented to avoid the need for an appeal.

TS stated that she is currently a member on the SEC Panel and that the timing of her appointment did overlap with Modification 0692S development. She identified that sometimes there can be gaps because of timing and sometimes it is not always the same Panel Member that is represented on other Code parties.

The Panel Chair asked what the next steps are in relation to Modification 0692S.

Guv Dosanjh (GD) confirmed that Cadent are in discussion with Xoserve in relation to the implementation date and which systems release it will be factored into.

It was noted that the DSC Change Management Committee would be

establishing the priorities for each systems release and would support the identification of a suitable implementation date.

The Panel Chair concluded this discussion by suggesting that the Joint Office also share this Ofgem Decision letter with the Joint Governance Arrangements Committee.

**b) Modification 0686 - Removal of the NTS Optional Commodity Rate with adequate notice**

LK confirmed that Ofgem has deprioritised the decision considerations in relation to this Modification.

**c) Modification 0687 - Creation of new charge to recover Last Resort Supply Payments**

LK provided an update stating that Ofgem are still considering an alternative system solution through REC. There is no decision on the merits of the Modification itself but the decision itself has been deprioritised.

SM asked what the difference was between Supplier of Last Resort (SoLR) in the context of gas and electricity and suggested that gas and electricity markets should be aligned as this process had already been implemented in electricity.

LK indicated that it could take one year to deliver the system solution for gas and the SoLR levy recovery process is slower in the gas sector which could lead to a 12-15 month time lag before levy claims are approved using this process.

ER reminded Panel Members that implementation of this Modification has been descoped from the June 2021 release and that when a decision is made it will likely need to be implemented as part of a major release.

**d) Modifications 0728/A/B/C/D (Urgent) - Introduction of Conditional Discounts for Avoiding Inefficient Bypass of the NTS**

LK stated that work on the Impact Assessment is on-going and a minded to position will be consulted on by the end of 2020.

PG asked if a decision will be made ahead of the Ofgem Moratorium.

LK indicated that it may be appropriate to issue certain code modification decisions during the publishing moratorium (for example, for reasons of urgency) and Ofgem will consider theses on a case-by-case basis. He reiterated that the decision on this Modification is an Ofgem priority.

SM highlighted that there could be a material impact on revenue if short haul is re-introduced. He added that there might also be an impact of any changes to charges from January as a result of Modification 0678A.

**e) Modification 0727 (Urgent) - Increasing the Storage Transmission Capacity Charge Discount to 80%**

LK provided an update stating that this Modification remains a priority and a decision will be provided in due course.

RF raised a general point of concern in relation to the Urgent Modification

process stating that industry parties had worked hard to submit Modifications 0727 and 0728A/B/C/D within urgent timescales. Ofgem having granted 'urgency status' have not been able to provide a decision in a timely manner and in line with urgency principles.

**f) Modifications 0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs and Modification 0701 - Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs**

LK provided an update stating that the decision for these 2 Modifications has been deprioritised. He added that the recent DSC Change should provide some benefit to industry parties.

**265.10. Workgroup Issues**

**a) Decoupling of Modification 0736 and Modification 0736A - Clarificatory change to the AQ amendment process within TPD G2.3**

PG introduced this agenda item stating that the Proposers of 0736 and 0736A are requesting that the Modifications are no longer considered together and are seeking to decouple them on the grounds that 0736A is no longer considered to be a direct alternative to 0736.

She added that Workgroup 0736 is still intending to report to the December Panel as planned but Workgroup 0736A will take longer and an extension is requested to April 2021.

SM stated that with the exception of Business Rule 4 in Modification 0736A the solutions are identical. He suggested that as Modification 0736 is making a clarificatory change, the governance should be reviewed and implementation of Modification 0736 could be progressed in a timely manner.

GD supported this suggestion stating that the original Modification had proposed Self-Governance procedures.

Panel Members agreed to reconsider the governance of the Modification.

GD also queried if the Workgroup 0736 needed to meet again as the Workgroup Report had already been completed and if so, could the Panel consider if the Modification could be issued to consultation.

PG indicated that the current Workgroup Report was a combined one for 0736 and 0736A and that Joint Office would need to provide Workgroup with a final opportunity to review a single 0736-only Workgroup Report before it is issued to consultation. She suggested that an extraordinary meeting could be convened on 27 November 2020 to discuss the Workgroup Report 0736.

For Modifications 0736 and 0736A Members determined (14 Panel votes were available for the determinations):

- That Modification 0736A is not an alternative to Modification 0736, by unanimous vote (14 out of 14). Modification 0736A will therefore be renumbered as Modification 0746.

- The criteria for Self-Governance are met for Modification 0736 as it is unlikely to have an impact on gas consumers, competition, pipeline operations, security of supply, governance procedures and does not discriminate between code parties, by unanimous vote (14 out of 14).
- That Modification 0746 be issued to Workgroup 0746 with a report by the 15 April 2021 Panel, by unanimous vote (14 out of 14).
- That an Extraordinary Panel meeting be arranged for Friday 27 November 2020 to consider Workgroup Report 0736S, by unanimous vote (14 out of 14)

#### 265.11. Reports for Consideration

##### a) **Modification 0731S - Introduction of an Annual Modification Panel Report**

Panel Members noted the Workgroup Report recommendations.

For Modification 0731S, Members determined (14 Panel votes were available for the determinations):

- Modification 0731S should be issued to consultation with a close out date of 10 December 2020, by unanimous vote (14 out of 14).

##### b) **Modification 0735 - UNC Changes as a consequence of the absence of trade agreement/s between the United Kingdom and the European Union ('no deal')**

Panel Members noted the Workgroup Report recommendations

The Panel Chair asked what the implications were if a Brexit deal is agreed.

PH confirmed that this Modification only needs to be implemented if there is a 'no deal' scenario. If a 'deal' is agreed this Modification may still be required depending on the terms of the deal or if there is a 'partial deal' agreed.

The Panel Chair also pointed out that both Distribution and Transmission Workgroups have reviewed the governance and made a recommendation that Panel consider Self-Governance.

For Modification 0735, Members determined (14 Panel votes were available for the determinations):

- The criteria for Self-Governance are met, as this Modification is unlikely to discriminate between different classes of parties to the Uniform Network Code/relevant gas transporters, gas shippers or DN operators. This is because the changes will have the same impact on all parties to the UNC, by unanimous vote (14 out of 14).
- Modification 0735S should be issued to consultation with a close out date of 10 December 2020, by unanimous vote (14 out of 14).

**265.12. 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:

<b>Modification number and title</b>	<b>Current Panel reporting date</b>	<b>Requested Panel reporting date</b>	<b>Reason for request to change Panel reporting date/Comments</b>
0664V - Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4	Dec 2020	Feb 2021	Issues require further consideration.
0734S - Reporting Valid Confirmed Theft of Gas into Central Systems	Dec 2020	Feb 2021	Process and systems solutions requires further work and consideration.

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

<b>Legal Text Requests for Modifications</b>
0737 - Transfer of NTS Entry Capacity from an abandoned ASEP
0738 - Incremental NTS Entry Capacity Surrender

PH confirmed that Legal Text for Modifications 0737 and 0738 will be made available in time for the Workgroup meetings.

**265.13. Consideration of Variation Requests**

None

**265.14. Final Modification Reports**

**a) Modification 0730 – COVID-19 Capacity Retention Process**

PG explained the purpose of the Modification before highlighting that of the 10 representations received:

- 3 supported implementation
- 1 offered qualified support and
- 6 were not in support.

Panel Members had lengthy discussions in relation to the consultation responses. There was broad agreement that the Modification was a helpful change but there was significant concern and discussion in relation to some operational aspects and whether the Modification could be implemented.

The concern relates to the differentiation between 'warranted isolations' made under general UNC Code and COVID-19 related isolations in the context of the provisions implemented by Modification 0723. Panel Members agreed that more information was needed from CDSP to clarify how COVID-19 related isolations would be identified for the purposes of this Modification. The impact of the current national lockdown and proposed move back to regional lockdowns also needs to be factored in and considered.

To allow further consideration of this Modification, Panel Members agreed that more information was needed:

- Definition of which parties qualify for the relief
- Quantification where possible of the financial impact of the Modification.

SM agreed to seek further information from the Industrial and Commercial Shippers and Suppliers (ICoSS) Group to aid the Panel in their consideration of Modification 0730. The information to be collected would give an indication of the likely utilisation of Modification 0730 based on a National Lockdown by:

1. Aggregate number of Supply Points in Scope
2. Aggregate volume (kWh)
3. % of Supply Points where the relief from Modification 0730 would pass directly to the Customer.

The CDSP representative agreed to submit additional information in relation to parties qualifying for Modification 0730 to inform materiality discussions.

**New Action PAN 11/03: Agenda item 265.14 – CDSP (ER) to submit additional information for consideration at Panel in relation to parties qualifying for Modification 0730 to inform materiality discussions.**

**Panel Members agreed to defer consideration of Modification 0730 to the extraordinary Panel Meeting to be held on 27 November 2020.**

## 265.15. AOB

### a) Consideration of Alternative Modifications and Preference Voting

B Fletcher (BF) asked Panel Members to note the presentation provided and suggested that discussion is deferred to the December meeting to allow a more in-depth discussion of this subject.

**Panel Members agreed to defer discussion to December.**

### b) Legal Text Guidance Document – Annual Review

RH stated that a number of responses had been received in relation to the Legal Text Guidance document and that these have been consolidated into the

document.

She added that Panel Members had raised some interesting points and questions and provided a walkthrough of the proposed changes.

- a. Approval of the document – A Panel Member asked that as this document is a UNC Related Document should the UNCC determine whether to approve changes to this document (see TPD V12.3) and not UNC Panel? BF clarified that normally UNC related documents are approved by the UNCC but because guidance document relates to the functioning of the UNC Modification Panel the Modification Rules (Paragraph 9.6.6) allow the UNC Panel to approve any changes.
- b. Development of Text – A suggestion to have a requirement for clearly written Business Rules (BRs) in the Solution section of the Modification to help construct the Legal Text. HC explained the background to this stating that there had been a number of examples where the Legal Text had been difficult to draft because the solution was unclear. Equally sometimes the drafting of Legal Text had driven the development of the solution. SM suggested that there are some circumstances where BRs are not required and this change would mandate the need for BRs for all Modifications. Panel Members agreed that BRs should not be made mandatory but rather they are needed for complex solutions.
- c. Workgroup Consideration – a new requirement is proposed for Workgroups to consider and discuss which section(s) of code should be amended. HC explained the background to this change stating that there should be an expectation that the Workgroup and Proposer are able to identify where the UNC Code has failed or where there is a gap and therefore which sections of Code need to be amended. MB agreed with this and suggested that Workgroup minutes capture these discussions to help inform the drafting of the Legal Text.
- d. Workgroup review of Legal Text – HC proposed a change that all Modifications under consideration should include a Workgroup assessment on whether the Legal Text meets the intent of the solution.

**RH concluded this item by asking Panel Members to provide any further comments by 5pm on Friday 20 November 2020.**

**c) Proposed Update to UNC Modification Template**

RH informed Panel Members that a number of changes have been identified to the UNC Modification template through the critical friend process and a Joint Office internal review and also following a request from CACoP to review all Code Modification updates in relation to consumer impacts.

**Panel Members were asked to review the proposed changes and send comments to R Hailes for discussion at the December meeting.**

**d) Modification 0726 Reporting**

TS confirmed that the appropriate route for sharing costs is through the quarterly DN Revenue Reports (Mod 0186 Reports) which are published on the Joint Office website: <https://www.gasgovernance.co.uk/DNRevenueReports>

**265.16. Date of Next Meeting(s)**

**09:00, Friday 27 November 2020, by teleconference.**

**10:00, Thursday 17 December 2020, by teleconference.**

<b>Action Table (19 November 2020)</b>						
<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>	<b>Date of Expected update</b>
<b>PAN 11/04</b>	21/11/19	250.11	Code Administrator (JO) to draft a straw man template/dashboard showing Management Information for Modifications in flight for Panel to consider in January 2020.	Joint Office (PG)	<b>Closed</b>	
<b>PAN 10/01</b>	15/10/20	264.7	Northern Gas Networks (NGN) to provide an update on the reporting requirements of the COVID-19 Liquidity Relief Scheme agreed with Ofgem.	NGN	<b>Closed</b>	
<b>PAN 11/01</b>	19/11/20	265.5	Agenda item 265.5 – Northern Gas Networks (TS) to provide an update on the COVID-19 Liquidity Relief Scheme in terms of what information will be available to industry in relation to defaulting or failing companies and an estimate of any recovery that might be needed and when this information will be available.	NGN (TS)	<b>Pending</b>	<b>December</b>

**Action Table (19 November 2020) continued**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>	<b>Date of Expected update</b>
<b>PAN 11/02</b>	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	<b>Pending</b>	<b>December</b>
<b>PAN 11/03</b>	19/11/20	265.14	Agenda item 265.14 – CDSP (ER) to submit additional information for consideration at Panel in relation to parties qualifying for Modification 0730 to inform materiality discussions.	CDSP (ER)	<b>Pending</b>	<b>27 November 2020</b>