

Record of Determinations:

Panel Meeting 266 27 November 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	DL	GD	DM - HC	TS - RP	TS	RC	LS	NB		
<b>Modification 0736S - Clarificatory change to the AQ amendment process within TPD G2.3</b>	Modification 0736S issued to consultation, with consultation closing out on 10 December 2020 - unanimous vote for (14 out of 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0736S be issued to Consultation, closing on 10 December 2020?
<b>Modification 0730 - COVID-19 Capacity Retention Process</b>	New issues were identified during consultation - unanimous vote in favour (14 out of 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Were any new issues identified during the consultation?
	Modification 0730 returned to Workgroup with a report to the 17 December 2020 Panel - unanimous vote for (14 out of 14)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should Modification 0730 be returned to Workgroup 0730 for further assessment with a report back to 17 December 2020 Panel?

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

**UNC Modification Panel**  
**Minutes of Meeting 266 held on**  
**Friday 27 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 D Fittock (DF), Corona Energy M Bellman (MB), ScottishPower (joined after 9.05am) M Jones (MJ), SSE R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom Energy	D Lond (DL), National Grid D Mitchell (DM), SGN G Dosanjh (GD), Cadent R Cailles (RC), BUUK T Saunders (TS), Northern Gas Networks	L Snoxell (LS), Citizens Advice N Bradbury (NB), EIUG

**Non-Voting Panel Members:**

<b>Chairperson</b>	<b>Ofgem Representative</b>	<b>Independent Supplier Representative</b>
W Goldwag (WG), Chair	D O'Neill (DON)	(None)

**Also, in Attendance:**

- A Raper (AR), Joint Office
- E Rogers (ER), Xoserve - CDSP Representative
- K Jones (KJ), Joint Office
- P Garner (PG), Ofgem
- R Hailes (RH), Panel Secretary

## Record of Discussions

### 266.1. Introduction

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

### 266.2. Note of any alternates attending meeting

D Mitchell for H Chapman

M Jones for M Bellman (first part of agenda item 266.4 only)

T Saunders for R Pomroy

### 266.3. Record of apologies for absence

A Jackson, Gemserv - IGT UNC Panel Chair

H Chapman, SGN – Transporter Representative

L King (LK), Ofgem – Ofgem Representative

R Pomroy, Wales & West Utilities – Transporter Representative

### 266.4. Workgroup Reports for Consideration

#### a) **Modification 0736S - Clarificatory change to the AQ amendment process within TPD G2.3**

Panel Members noted the Workgroup Report recommendations.

G Dosanjh (GD) thanked the Joint Office for the work undertaken to prepare the Workgroup Report in time for this meeting.

14 Panel votes were available for the determinations – M Jones held M Bellman's vote).

For Modification 0736S, Members determined

- Modification 0736S should be issued to consultation with a close out date of 10 December 2020, by unanimous vote (14 out of 14).

### 266.5. Final Modification Reports

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

A Raper (AR) provided an update from the Distribution Workgroup meeting held on 26 November 2020. The Workgroup 0730 discussed a CDSP paper in response to *Panel Action 11/03 - CDSP (ER) to submit additional information for consideration at Panel in relation to parties qualifying for Modification 0730 to inform materiality discussions.*

AR reported that a concern was raised by a Distribution Workgroup participant that there was a potential mismatch between the Modification Solution and the Legal Text . There was also a concern that the proposed CDSP process is not sufficiently specified in the Modification Solution. Therefore the proposed CDSP process is not sufficiently specified in the Legal Text in a way which would prevent future claims from Shippers that the process is unfair because it contains a time bound requirement for Shippers to respond to the CDSP.

He added that the general view of the Workgroup was that additional work is

needed to

- a) 'Tighten up' the Business Rules and
- b) Amend the corresponding Legal Text in order to clarify the process and rights of Shippers to submit claims for rebates under this Modification.

To facilitate these amendments the Proposer would need to raise the change through a Variation Request.

AR reminded Workgroup that it is impossible to make a distinction between 'warranted isolations' and COVID-19 related isolations and this process weakness means that Modification 0730 needs to specify a robust rule in the UNC to enable such a distinction.

In addition, AR added that whilst a consensus of views on the proposed process was not held by all Distribution Workgroup Participants, there was a general view at the end of the discussions that a Variation to the Modification (Solution and Legal Text) would make the commercial solution more robust.

T Saunders (TS) stated that Northern Gas Networks as the Legal Text provider is concerned that a query has arisen over the Legal Text at this late stage. In addition, an element of the solution relating to a second "avoidance of doubt statement" appears in the Workgroup Report but a corresponding Modification amendment has never been raised. She confirmed that NGN Lawyers are now updating the Legal Text to reflect this new "for the avoidance of doubt" statement".

As the Proposer, S Mulinganie (SM) expressed frustration and disappointment at this outcome emphasising that the industry consultation had been issued with the Draft Modification Report including both "for the avoidance of doubt" statements. He, therefore, questioned whether the absence of the "for the avoidance of doubt" statement in the Modification would have changed any of the consultation responses.

He further added that the outstanding action from the last Panel meeting was around the data to support assessment of materiality and not about the process.

SM acknowledged that Distribution Workgroup has now identified a disconnect between the Modification Solution and the Legal Text. To resolve the matter, he confirmed that a revised Business Rule has been drafted to address this concern and asked what the next steps are and whether the Modification needs to be re-issued to consultation.

D O'Neill (DON) stated that the importance of the CDSP data was to help inform an assessment of materiality and impact on Users (i.e. who qualifies and a quantification of the financial values) by providing evidence of the volumes and value of the total discount. He emphasised the need for the Modification Panel and Ofgem to have access to this information to help inform decision making.

E Rogers (ER) confirmed that the CDSP are not able to provide a reliable view on materiality due to the reliance on Shippers to provide notification of the number of eligible Supply Meter Points and also the dynamic landscape in relation to COVID-19 related lockdowns and durations poses a further

complication. Together these two reasons make it difficult to provide a definite value of the total rebate.

DON acknowledged that it may not be possible to provide the 'perfect' data and suggested that consideration be given to providing a 'data snapshot' at a given time to show the volumes, values and level of discount.

**New Action PAN 11/04: Agenda item 266.5 – CDSP (ER) to provide some analysis of the number of Supply Meter Points that would be eligible for a rebate under Modification 0730 at a given snapshot in time. The analysis to show the volumes, total values and level of discount.**

P Garner (PG) suggested the following next steps:

- Joint Office to work with the Proposer to raise a Variation Request.
- Joint Office convene a meeting of Workgroup 0730 on the afternoon of Tuesday 08 December 2020 to allow industry parties to consider the proposed changes to the Modification.
- The Variation Request to be submitted to the 17 December 2020 Modification Panel meeting for consideration and determination of the materiality of the proposed change.

SM expressed his concern about the slow progress and delays in relation to the Modification. He reminded Panel Members that he had sought the help of Industrial and Commercial Shippers and Suppliers (ICoSS) members to help understand the scale of the utilisation of the scheme under Modification 0730 but this request had been paused because of the discussion at Distribution Workgroup. He added that the proposed additional meeting allows more time for the ICoSS data to be provided and refined.

SM further stated that a Variation Request can be supported and a new Business Rule 5 is proposed as follows to replace the second 'for avoidance of doubt statement':

"Proposed BR5 In addition to qualify for relief i.e. capacity retention charge under this modification the Shipper will be required to provide sufficient information to the CDSP within [20] Working Days of receipt of notification from the CDSP of the opening of a relevant claim period to determine that this Supply Meter Point is subject to restrictions on operation under COVID Regulations (for example: the nature of business conducted at the site and the geography)."

He indicated that TS has said that the Legal Text can be updated to meet this new Business Rule.

N Bradbury (NB) expressed disappointment about the overall Modification development time, suggesting that the development process has been too lengthy and has delayed the provision of relief to non-domestic customers. He implied that the impact on non-domestic customers seemed to be a lower priority and said that more needs to be done to protect all consumers (domestic and non-domestic). He added that a more rounded approach to energy consumers

is needed.

DON reiterated the importance of understanding the Modification impact and benefits on all consumers which includes both domestic and non-domestic consumers equally.

The Panel Chair emphasised the importance of industry and encouraged industry parties to address the data gaps and provide tangible evidence of the scale of the impact as without this Ofgem may find it difficult to progress the Modification. DON agreed with this but added the importance of this data is not only needed by Ofgem but also by the Modification Panel to enable them to make an assessment of materiality.

R Hailes (RH) thanked Panel Members who had provided comments to be included in the Final Modification Report under the Panel discussion section. She added that these were additional views and not Panel discussion.

PG suggested that the panel discussion section in the Final Modification Report, including the additional comments will be tidied up and made available to Panel Members to review at the December meeting.

For Modification 0730, Members determined (14 Panel votes were available for the determinations):

- That new issues have arisen requiring a view from Workgroup, by unanimous vote (14 out of 14).
- Modification 0730 should be returned to Workgroup with a report to the December Panel, by unanimous vote (14 out of 14).

**266.6. AOB**

None

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

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

<b>Action Table (27 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 11/01</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>
<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	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>December</b>
<b>PAN 11/04</b>	27/11/20	266.5	CDSP (ER) to provide some analysis of the number of Supply Meter Points that would be eligible for a rebate under Modification 0730 at a given snapshot in time. The analysis to show the volumes, total values and level of discount.	CDSP (ER)	<b>Pending</b>	<b>December</b>