

Industry update from Ofgem – up to date as of 30 April 2020

Uniform Network Code Modifications aimed at mitigating the impacts of COVID-19

On 21 April 2020, Ofgem received requests from Northern Gas Networks and Gazprom Energy that four Uniform Network Code (UNC) modification proposals should be given urgent status and follow expedited modification procedures. The four are as follows:

- UNC721 'Shipper submitted AQ Corrections during COVID-19'
- UNC722 'Allow Users to submit Estimated Meter Reading during COVID-19'
- UNC723 'Use of Isolation Flag to identify sites with abnormal load reduction during COVID-19 period'
- UNC724 'Amendment to Ratchet charges during COVID-19 period'

On 22 April 2020, we agreed to those requests, and set out the urgent timetable under which the four modifications should progress. Our decision on urgency should not be treated as an indication of the Authority's of each modification proposals merits. The need for an appropriate response to COVID-19 is "a current issue that if not urgently addressed may cause a significant commercial impact on parties, consumers, or other stakeholder(s)". We are aware the current situation continues to present challenges, and Ofgem is working closely with government and industry the needs of customers are being met, including the most vulnerable.

URL: https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/book/2020-04/Ofgem%20Letter%20-%20Urgency%20Decision_0.pdf?MrNP_4d091oTDgL1UjiFNkkkaym5LhCE=

Ofgem information for energy licensees on coronavirus (COVID-19) response

In line with our ongoing response to the current situation, we published information for energy licensees on the COVID-19 response on 16 April 2020. This outlines how we are focusing our activities on the most time-critical work we carry out for consumers, and ensuring that the energy industry can effectively respond to the coronavirus (COVID-19). We are prioritising work on our response to the crisis, in close collaboration with industry, consumer groups and stakeholders to ensure we meet this objective.

The information below lists our immediate priorities, including statutory obligations and time-critical activities, and outlines the regulatory implications by sector to this prioritisation of our work. We will update this page with information for licensees, and will assess and adapt our approach as the situation develops.

URL: <https://www.ofgem.gov.uk/publications-and-updates/ofgem-information-energy-licensees-coronavirus-covid-19-response>

For any regulatory queries related to COVID-19, please contact covid19@ofgem.gov.uk.

Decision not to veto National Grid Gas's proposal for exit capacity substitution at Saltholme NTS exit point

On 29 April 2020, we published our decision not to veto National Grid Gas plc's (NGG's) proposal for exit capacity substitution at Saltholme NTS exit point. NGG's notice dated 1 April 2020 outlined its proposal to substitute unsold exit capacity from Billingham ICI (Terra Billingham) and Enron Billingham from 1 October 2020. In accordance with Special Condition 5G of NGG's gas transporter licence, we have decided not to veto the substitution of unsold exit capacity to Saltholme NTS exit point.

URL: <https://www.ofgem.gov.uk/publications-and-updates/decision-not-veto-national-grid-gass-proposal-exit-capacity-substitution-saltholme-nts-exit-point>

UNC678 (Gas Charging Review) Amendments to Gas Transmission Charging Regime

We are considering the responses to the consultation on our minded-to decision and all new evidence submitted to us and we will be taking these into account when we make the final decision on this change to gas charging.

Our decision will include which (if any) modification to accept and the implementation date. We are mindful of the impacts of Covid on all market participants and consumers, and will be considering this in deciding the best way forward.

The consultation on the modification to implement the Gas Charging Review (UNC678) closed in February and we will be setting out the way forward on this in the near future.

Direction to modify the Regulatory Instructions and Guidance (RIGs) for RIIO-GT1

In March 2020 we issued a Notice, under paragraph 10a of Standard Special Condition A40 (Regulatory Instructions and Guidance) ("SSC A40") of the Gas Transporter Licence granted to the Licensees under section 7 of the Gas Act 1986, and asked for views on the gas transmission draft RIGs and reporting templates for 2019/20 annual reporting. The consultation ended on 6 April 2020.

On 29 April 2020, we published the modified RIGs for the purpose of clarifying the existing reporting requirements and will take effect on and from 6 April 2020. The Direction is listed below:

URL: <https://www.ofgem.gov.uk/publications-and-updates/direction-modify-regulatory-instructions-and-guidance-rigs-riio-gt1-version-72>