

UNC Panel Chair, UNC Panel
Members, gas transporters, gas
shippers, and other interested
parties

Email: David.Hall@ofgem.gov.uk

Date: 9 October 2019

Dear Mark,

**Authority decision to 'send back' Uniform Network Code ("UNC") 687
("UNC687"): 'Creation of new charge to recover Last Resort Supply Payments'**

On Thursday 19 September 2019, the UNC Panel voted to recommend UNC modification proposal UNC687: 'Creation of new charge to recover Last Resort Supply Payments' to the Authority for implementation.

We are unable to form an opinion on UNC687 at this time on the basis that the Final Modification Report ("FMR") states that there are errors in the Legal Text, and further to correspondence with the Joint Office of Gas Transporters ("Joint Office"), it is unclear whether the UNC Panel intended to submit the Legal Text which we have received. We are therefore sending the proposal back to industry for the UNC Panel to consider – what we understand to be – the revised Legal Text at its next meeting, and subject to their recommendation to resubmit the FMR to the Authority.

Background

UNC Panel voted to recommend UNC687 to the Authority for implementation on 19 September 2019, and the Joint Office submitted the FMR – together with Legal Text – on 23 September 2019.

The FMR notes that the UNC Panel discussed errors with the Legal Text which were identified at consultation and are detailed in a consultation response, appended to the FMR.

Further, after the FMR had been submitted to us we became aware that the Legal Text provider had prepared revised Legal Text which corrected the errors identified at consultation. These revisions are not included in the FMR. Whilst revised Legal Text was discussed at the UNC Panel, and it was the understanding of the Legal Text provider that this revised Legal Text was to be considered by us, the FMR is silent on whether the UNC Panel expected this revised Legal Text to be submitted to us.

We therefore consider that we are unable to form an opinion on UNC687 at this time under paragraph 15(b)(i) of Standard Special Condition A11 of the Transporters Licence as:

- the UNC Panel has noted in the FMR that the Legal Text which was submitted to us for consideration contains errors; and
- it is unclear to us whether the UNC Panel intended to submit the Legal Text we received, or revised Legal Text which corrected the errors identified by the UNC Panel as noted in the FMR.

Direction

In accordance with paragraph 15(b)(ii) of Standard Special Condition A11 of the Gas Transporter Licence, we direct that the UNC Panel considers at its next meeting (on 17 October 2019) the revised Legal Text, and makes a determination on whether UNC687 should be recommended to the Authority on that basis.

After considering this, the FMR should be revised and re-submitted it to us to allow us to form an opinion as soon as practicable.

Yours sincerely

David Hall
Head of Code Governance