

UNC Modification	At what stage is this document in the process?
<h1>UNC 0874:</h1> <h2>Amendments to UNC to align with Gas Demand Forecasting Methodology</h2>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid green; background-color: #008000; color: white; padding: 5px; display: flex; align-items: center; justify-content: center;"> <span style="font-weight: bold; font-size: 1.2em; margin-right: 5px;">01</span> Modification         </div> <div style="border: 1px solid blue; padding: 5px; display: flex; align-items: center; justify-content: center;"> <span style="font-weight: bold; font-size: 1.2em; margin-right: 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid purple; padding: 5px; display: flex; align-items: center; justify-content: center;"> <span style="font-weight: bold; font-size: 1.2em; margin-right: 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid orange; padding: 5px; display: flex; align-items: center; justify-content: center;"> <span style="font-weight: bold; font-size: 1.2em; margin-right: 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b></p> <p>To update and align the Uniform Network Code (UNC) with National Gas Transmission’s (NGT) methodology for forecasting gas demand.</p>	
<p><b>Next Steps:</b></p> <p>The Proposer recommends that this Modification should be:</p> <ul style="list-style-type: none"> <li>subject to Self-Governance</li> <li>assessed by a Workgroup</li> </ul> <p>This Modification will be presented by the Proposer to the Panel on <b>18 April 2024</b>. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>	
<p><b>Impacted Parties:</b></p> <p>Low: Shippers, suppliers, independent gas transporters, distribution network operators</p>	
<p><b>Impacted Codes:</b></p> <p>UNC</p>	

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Timetable		
<b>Modification timetable:</b>		
Pre-Modification Discussed	04 April 2024	
Date Modification Raised	05 April 2024	
New Modification to be considered by Panel	18 April 2024	
First Workgroup Meeting	02 May 2024	
Workgroup Report to be presented to Panel	18 July 2024	
Draft Modification Report issued for consultation	19 July 2024	
Consultation Close-out for representations	08 August 2024	
Final Modification Report available for Panel	13 August 2024	
Modification Panel decision	19 September 2024	

 Any questions?

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## 1 Summary

### What

In 2023, a third-party consultancy was hired by NGT and National Grid ESO to review the Gas Demand Forecasting Methodology (GDFM) and TD76. During the course of its work, the consultancy identified a number of inconsistencies within the forecasting documents, how forecasting is undertaken and how forecasting is described within the UNC.

TD76 is an old methodology document that contains numerous out-of-date references. The remaining relevant areas of TD76 will be consumed into GDFM further to future consultation. Additionally, references are made within the UNC to the Ten-Year Statement which is now known as the Long-Term Development Statement.

The changes that are proposed to gas demand forecasting, as well as the inconsistencies that have been identified by the third-party consultancy in both terminology and the process for forecasting, have highlighted that the UNC needs to be updated.

Any changes to the GDFM and TD76 will be subject to separate consultation and Ofgem approval. This Modification seeks only to remove inaccuracies within the UNC, clarify process and terms and ensure the Code is ready for the future merger of the two documents.

### Why

Current processes and terminology for gas demand forecasting are not accurately described within the UNC. This Modification seeks to align the current process and practice with what is written within the UNC. Additionally, further updates to the GDFM mean that UNC will continue to be out of alignment with the methodology for long-term forecasting and our transportation licence.

This Modification is intended to ensure that UNC is accurate. Without undertaking this Modification, the UNC will continue to contain incorrect and out-of-date references and terminology and will not be ready for the proposed changes to how NGT describes its demand forecasting.

### How

To ensure the UNC accurately reflects the gas forecasting methodology and the licence obligations that NGT faces, it requires a series of minor updates. These updates will remove incorrect or legacy references, and terminology and ensure the Code reflects process and practise as occurs and as will occur within gas demand forecasting.

The sections of the UNC that have been identified as requiring an update are:

- OAD H
- OAD N
- TPD O
- GTC

## 2 Governance

### Justification for Self-Governance

There will be no material impact from implementing this Modification on either the process or consumers. This Modification seeks only to ensure that the Code is accurate and contains the most up-to-date terminology, practice, and language.

### Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- be assessed by a Workgroup.

## 3 Why Change?

Following a review of NGT's forecasting methodology by a third-party consultancy, it was proposed that a number of changes to the methodology were required. These include merging TD76, a legacy document, with the GDFM and improving GDFM to contain more detail. At the same time, it was also discovered that a number of inconsistencies are present within the UNC, including inaccurate information or where the UNC is not aligned with the Licence.

This Modification proposes to update the following four sections of the Code: TPD O, OAD H, OAD N and GTC. These sections contain outdated terminology or feature processes or practices that do not currently occur or are inconsistent with our licence. Some of these changes will also ensure the Code remains accurate as NGT makes further changes to its forecasting methodology.

Some sections of the UNC still make references to the gas demand methodology being "the British Gas document", highlighting the age of the references and the need for updates.

Some of these changes will be proactive, rather than reactive, to ensure the Code contains up-to-date information. NGT plans to publish its updated GDFM ahead of the next Future Energy Scenarios (FES), and these changes will ensure the Code accurately reflects the information that will be present in our GDFM moving forward.

In the coming months, NGT will begin consulting upon the changes to the methodology. The changes proposed as part of this Modification are required to ensure that the proposed GDFM has the correct UNC and Licence references. However, these changes are not material, they are only minor corrections of terms and references and will not impact the consultation.

By not making this change, the Code will continue to contain incorrect information and, upon updating of the methodology, will contain an even greater number of incorrect terms, references, and processes.

## 4 Code Specific Matters

### Reference Documents

[OAD H](#)

[OAD N](#)

[TPD O](#)

[GTC](#)

[Gas Transporter Licence Special Conditions](#)

[TD76](#)

[Gas Demand Forecasting Methodology](#)

## Knowledge/Skills

None.

## 5 Solution

Following a review by the third-party consultancy who were directed to review our forecasting methodology and an internal review, NGT has identified four documents within the UNC that require updates.

These are:

- OAD H
- OAD N
- TPD O
- GTC

The proposed changes to these documents are minor, and only seek to correct terms, terminology, references, and in some cases, amendments or removal of processes or practices that are either now irrelevant or are not correctly aligned.

## 6 Impacts & Other Considerations

### Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

None.

### Consumer Impacts

None. This Modification is only updating the language within the Code.

### What is the current consumer experience and what would the new consumer experience be?

None.

#### Impact of the change on Consumer Benefit Areas:

Area	Identified impact
Improved safety and reliability	None
Lower bills than would otherwise be the case	None

Reduced environmental damage	None
Improved quality of service	None
Benefits for society as a whole	None

**Performance Assurance Considerations**

None, this is not relevant to the purpose of this Modification.

**Cross-Code Impacts**

None

**EU Code Impacts**

None

**Central Systems Impacts**

None, this is not relevant to the purpose of this Modification.

**7 Relevant Objectives**

**Impact of the Modification on the Transporters' Relevant Objectives:**

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive

g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None
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Relevant objective f) “Promotion of efficiency in the implementation and administration of the Code” is furthered through this Modification by the updating of the language, terminology and references used within the Code in relation to gas demand forecasting, to be aligned with the Licence.

## 8 Implementation

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

## 9 Legal Text

### Text Commentary

35 minor corrections to text are required across OAD sections H & N, TPD section O and GTC to reflect the proposed changes by merging TD76 and GDFM and to remove inaccuracies and inconsistencies within the UNC. These amends are split out as below:

- **OAD H** – 10 proposed changes to text
- **OAD N** – 1 proposed change to text
- **TPD O** – 21 proposed changes to text
- **GTC** – 3 proposed changes to text

~~Legal text will be provided in time for the Workgroup~~

The proposed legal text has been provided in **Appendix 1**.

## 10 Recommendations

### Proposer’s Recommendation to Panel

Panel is asked to:

- Agree that Self-Governance procedures should apply.
- Refer this proposal to a Workgroup for assessment.

## 11 Appendix 1