

**UNC Modification Panel Minutes**  
**Meeting 322 held on Thursday 18 July 2024**  
**via Microsoft Teams**

<b>Attendees</b>		
<b>Voting Panel Members:</b>		
<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representatives</b>
D Tarasco-Fittock (DTF) SSE and on behalf of C Paine (CP) Engie O Chapman (OC) Centrica and on behalf D Morley (DM) OVO Energy R Fairholme (RF) Uniper S Mulinganie (SM) SEFE Energy	C Gilbert (CG) BUUK D Mitchell (DMi) SGN S Singh (SS) for E Allard (EA) Cadent M Montgomery (MM) National Gas Transmission T Stuart (TSu) Wales & West Utilities T Saunders (TSa) Northern Gas Networks	A Geveke (AG) EIUG S Hughes (SM) Citizens Advice
<b>Non-Voting Panel Members:</b>		
<b>Chairperson</b>	<b>Ofgem Representative</b>	<b>Independent Supplier Representative</b>
W Goldwag (WG) Chair	M Brown (MB)	None
<b>Also, in Attendance:</b>		
<b>Joint Office</b>	<b>Observers:</b>	
E Fowler (EF) H Kaur (HK) K Elleman (KE) M Cockayne (MC) P McKie (PM) R Hailes (RH)	D Addison (DA) Xoserve/CDSP E Panciu (EP) Corona Energy J Lomax (JL) Cornwall Insight M Jones (MJ) SSE Energy Supply Limited	T Lattimore (TL) IGT INC P Hobbins (PH) National Gas Transmission P Lucas (PL) National Gas Transmission T Davis (TD) CNG
Copies of all papers are available at <a href="https://www.gasgovernance.co.uk/Panel/180724">https://www.gasgovernance.co.uk/Panel/180724</a>		

**Record of Discussions**

**322.1. Introductions**

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

**322.2. Note of any alternates attending the meeting**

O Chapman on behalf of D Morley  
D Tarasco-Fittock on behalf of C Paine  
S Singh on behalf of E Allard

**322.3. Apologies for Absence**

C Paine  
D Morley  
E Allard  
S Hughes (between 11:00 and 12:00)

**322.4. Minutes of the last meeting 20 June 2024.**

Approved.

**322.5. Review of Action(s) and Issue(s)**

None.

**322.6. Consider Urgent Modifications**

None.

**322.7. Consider Variation Requests**

None.

**322.8. Final Modification Reports**

None.

**322.9. Consider New, Non-Urgent Modifications**

**a) Modification 0886 - Amend the Code Cut-Off Date to a Rolling 3-Year Period**

The Proposer, M Jones (MJ) presented the Modification, explaining that it seeks to shorten the code cut-off date (or line in the sand) from a 3-4 year period to a monthly rolling 3-year period. Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0886>

MJ explained that the code cut-off date or the 'line in the sand' (LIS) is how far back gas reconciliations and adjustments can be invoiced. This is currently a 3-to-4-year period, which rolls over on 01 April every year. This is currently 01 April 2021. On 01 April 2025 this date will roll forward to 01 April 2022 and remain at that date until 01 April 2026 when it will roll forward by another year.

This Modification will keep the initial 36 month LIS period, but rather than it rolling annually, it will roll forward each month. For example, in May 2025 the LIS will be May 2022 and the exact 3 year LIS period will be maintained for each month thereafter, and so the LIS will be the same as it currently is on each 01 April, but it will stop the monthly growth of the LIS in year 4 up to 31 March of the following year. MJ noted that a UNC Modification is the only way to change the Code Cut-Off Date.

The Modification was not proposed as Self-Governance, but rather as Authority Direction and requested a Workgroup Assessment concluding in November.

Panel Members considered the Workgroup Assessment period, suggesting that the

Modification should be reviewed by the Workgroup for 6 months instead of 4 months as originally proposed by the proposer. The proposer agreed with the suggestion and noted that the Modification might appear simple on the surface, however, time will be required to analyse the questions raised by the Panel and the points that will be raised during Workgroup development.

The Panel considered the title of the Modification and suggested adding the term 'line in the sand' to the title in order to make it easier for parties to locate the Modification from the title. It was noted that the term 'line in the sand' is used in various contexts and therefore clarity will need to be added to the title as to which 'line in the sand' the Modification addresses. The proposer noted the Panel's suggestions and will consider amending the title and adding further clarity.

K Elleman (KE) informed the Panel that a representative from PAC will attend the Workgroups.

The panel agreed to a 6-month assessment period (with the first Workgroup being in August) at the Distribution Workgroup reporting back on 21 February 2025. It was noted that this Modification could report back sooner if the Workgroup Report is concluded early.

Panel Questions:

Q1. If there is agreed to be a move to the new LIS, will Shippers have to clear all outstanding issues first, or will these remain as legacy issues under the existing timeframe?

Q2. Will there still be a reopener beyond the 3-year rolling date if there are valid claims between 3 years and the statutory 6 years?

Q3. Consider the consequential impacts of moving to monthly billing.

Q4. Has the CDSP analysed the impact of the change of approach in particular on other less frequent activities i.e. no unintended consequences arise?

For Modification 0886 Members determined (with 14 Panel votes available):

- There are Cross-Code impacts, by unanimous vote (14 out of 14).
- The criteria for Self-Governance is not met, as this Modification is likely 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 (14 out of 14).
- The Modification should be issued to a Workgroup for 6 months with a report to be presented to the February 2025 Panel, by unanimous vote (14 out of 14).

**b) Modification 0871A – Facilitating Bi-Directional Connections Between IGT Pipelines and the NTS**

The Proposer, P Lucas (PL) presented the Modification, explaining that it proposes an Alternative solution to establish the commercial transportation arrangements applicable at bi-directional connections between IGT Pipelines and the NTS.

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0871>.

Prior to the Proposer presenting an explanation of the Modification, the Panel considered whether this proposed Modification is an Alternative Modification and whether the Workgroup report for 0871 can be considered to be completed.

K Elleman (KE), advised that the Joint Office (JO) considers the NGT proposal to be an alternative to 0871. KE noted that from JO's viewpoint, the 0871 Workgroup Report is

incomplete as some outstanding issues need to be addressed.

Tim Davis (TD), the proposer of Modification 0871, expressed concern in relation to the Modification Rules around Alternative Modifications not being followed. TD was of the view that Modification 0871A is not an alternative to 0871 and noted that an alternative is meant to achieve the same result from a different route. TD advised that 0871A may be looked at as an extension of 0871. TD also noted that he believes that the 0871 Workgroup Report was completed by the Workgroup.

The Panel Chair clarified that the 0871 Workgroup Report does not appear to be complete as there is no Legal Text. The Panel Chair considered whether Ofgem would wait for both 0871 and 0871A to be submitted to decide on both Modifications together and what the impact of this could be. R Hailes (RHa) suggested that TD could add the additions proposed by NGT in the alternative to 0871 if he is agreeable to the additions. TD advised that Modification 0871 only addresses the entry of gas whereas the NGT Modification relates to bi-directional connections and where the gas goes. TD clarified that CNG does not intend to make any additions to its proposal under 0871.

M Montgomery (MM) disagreed with TD and noted that both Modifications deal with the same physical layout/bi-directional connection to the NTS, however, the NGT Modification does this in a wider way.

S Mulinganie (SM) highlighted that the way the Modification is treated by the Authority should not be the Panel's concern and the only question they should consider and determine is whether NGT's proposal is an alternative. SM was of the opinion that the NGT proposal is not an alternative to 0871.

M Brown (MB) provided a view on the importance of biomethane and the Net Zero development and the effect that the delay in Modification 0871 can have on these projects. MB advised that he has seen Modification 0871 being developed and believes that the proposer has been noting the suggestions made by the Panel and the Workgroup. MB believes that the NGT proposal deals with different things from the 0871 proposal. MB stated that Ofgem can consider 0871 as an independent Modification. MM noted that NGT is not attempting to cause any delays to the flow of biomethane and highlighted NGT's intention to ensure that optimal rules are developed.

PL presented NGT's proposal and set out the commercial transportation arrangements that proposed that the UNC be modified to explicitly provide for bi-directional connection points that are applicable at such points. The alternative deals with the same physical layout / bi-directional connection to the NTS which is the subject of 0871.

PL noted that Modification 0871 advocates a solution to the Energy Balancing aspect of such a connection but fails to address matters such as point definition, commercial operation, etc. relating to this connection, which NGT believes also needs to be dealt with. Given the connection type at the core of the issue and the aspiration to set out the applicable transportation arrangements, NGT believes these proposals are mutually exclusive and therefore qualify as Alternatives.

Panel Members considered precedents where the Panel voted in favour of alternatives which included additional items. Similarly, precedents of Modifications where alternatives were rejected by the Panel were also considered.

A Panel Member queried the timeline for both 0871 and 0871A Modifications. It was explained that if the Panel decides that the NGT proposed Modification is not an alternative, it will be raised as a separate Modification with a new number and will follow its own timeline. With

0871, the Panel can vote to ask the Transporter to provide Legal Text after which the Transporter has 15 days to either provide the text or to provide a report explaining why they cannot provide the text. There is some other work also outstanding with Modification 0871 as the CDSP wishes to carry out an impact assessment for the Modification.

The new NGT Modification was proposed as not Self-Governance with a Workgroup Assessment concluding in January 2025.

Panel Members concluded that the NGT Modification should not be treated as an Alternative to 0871 and that it should be treated as a separate Modification, therefore, the Modification will proceed as 0887 from this point.

### **Modification 0887 – Facilitating Bi-Directional Connections Between IGT Pipelines and the NTS**

The Panel considered the Workgroup Assessment period being 6 months with some Panel Members suggesting that the Workgroup Assessment should be 3 months. The proposer explained that the Modification requires 6 months to consider several options around which parties can apply capacity and for the Workgroup to develop the solution. The Chair of the Transmission Workgroup, E Fowler (EF), agreed with the proposer's suggestion of 6 months at the Workgroup and noted that there are several complicated issues to be considered by the Workgroup.

The Panel agreed to a 6-month assessment period at the Transmission Workgroup reporting back in February 2025. It was noted that this Modification could report back sooner if the Workgroup Report is concluded early.

#### Panel Questions:

None raised.

For Modification 0871A Members determined (with 13 Panel votes available):

- There are Cross-Code impacts, by unanimous vote (13 out of 13).
- The criteria for Self-Governance is not met, as this Modification is likely 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).
- The Modification should not be treated as an Alternative to 0871, by majority vote (9 out of 13).
- Modification 0887 should be issued to a Workgroup for 6 months with a report to be presented to the 16 January 2025 Panel, by majority vote (12 out of 13).

## **322.10. Workgroup Issues/Updates**

### **a) Modification 0871 - Facilitating IGTs with NTS Entry**

RHa introduced the Workgroup Report summarising that this Modification sought to clarify the treatment of energy entering the NTS after entering an IGT network.

On 18 April 2024, the Panel determined that this Modification should be subject to Authority Direction because the technical change may have a material effect on competition in the

shipping, transportation or supply of gas conveyed through pipes and/or the operation of one or more pipe-line systems.

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0871>.

RHa presented a report on the Legal Text provision in relation to the Modification, explaining that NGT believes that the current solution presented within the Modification was not implementable and as a result could not provide legal text. RHa advised that NGT's concern is the absence of a point definition given the fact that all other bi-directional points on the NTS are defined which leads to a lack of certainty as to the applicable transportation arrangements at such points and gives NGT no UNC hook to link to the Entry Agreement.

RHa reiterated the Panel's option to ask NGT for Legal Text. RHa suggested that the proposer of 0871 discusses the issues raised with NGT offline to come up with a solution. SM highlighted the conflict of interest noting that the party meant to provide Legal Text has raised a Modification of their own. TD noted that the issues raised by NGT relate to points not being addressed by the original Modification as it discusses gas after the point of entry, which their Modification is not dealing with.

Panel Members considered the Workgroup Report recommendation, which asked Panel to consider whether this Modification should proceed to consultation.

A Panel Member pointed out the discrepancy with the governance route and the missing Legal Text in the Workgroup Report. The Chair of 0871 Workgroup, EF, explained that the Modification was due to be brought to the Panel in August, however, it was brought early as the Legal Text was not provided for review and it became clear that the proposal would not change.

Xoserve/CDSP expressed interest in carrying out an impact assessment of the Modification and starting with a conversation with the proposer and NGT to understand the extent of the impact on them. Panel Members suggested that NGT provide a draft of the Legal Text while highlighting the issues that explain why the text cannot be completed. It was also noted that as per the proposer, the issues highlighted by NGT do not relate to points included in the Modification, therefore, the Legal Text should be produced to meet the requirements of the Modification.

The Panel Chair suggested that sending the Modification to the consultation would not be wise further to the issues raised. The Chair also highlighted the importance of facilitating more biomethane.

It was agreed that the Modification would return to the Transmission Workgroup with the Workgroup Report presented to the September 2024 Panel.

#### Panel Questions for Workgroup 0871:

- Q1. What is the impact on the CDSP?
- Q2. Can the workgroup make progress so that Legal Text can be agreed upon? If not, what does Workgroup recommend as a course of action?
- Q3. Given the proposal, why can't the Legal Text be written directly against the proposal? Where in the solution can you say that the Legal Text cannot be produced?

For Modification 0871, Members determined (with 13 Panel votes available):

- The Modification should be referred back to a Workgroup for a further 2 months with a report to be presented to the 19 September 2024 Panel, by majority vote (10 out of



13).

### 322.11. Workgroup Reports for Consideration

**a) Request 0851R - Extending the Annually Read PC4 Supply Meter Point (SMP) read submission window**

KE introduced the Request Workgroup Report summarising that this Request was raised to find a suitable solution to the management of submitted meter reads, for settlement, which have failed validation and the reason for the failure cannot be resolved within 25 days. Panel noted that a subsequent [Modification 0884 - Extending the PC4 Read Submission Window](#) was raised in June 2024.

Please refer to the Request published at: <https://www.gasgovernance.co.uk/0851>.

Panel Members considered the Request Workgroup Report recommendation, that this Workgroup should now be closed.

For Request 0851R, Members determined (with 13 Panel votes available):

- The Request Workgroup should be closed, by unanimous vote (13 out of 13).

**b) Modification 0860 - Clarify impact of exit capacity holdings on offtake rights**

KE introduced the Workgroup Report summarising that this Modification would clarify that NTS Registered Capacity holdings at NTS Supply Points and NTS Connected System Exit Points are a financial instrument and should not affect the operational NTS offtake rights of the holder. The proposal includes removing the limit of a User’s exit capacity holdings at NTS Supply Points and NTS Connected System Exit Points from the Permitted Rate of Offtake in an Offtake Profile Notice. Additionally, it is proposed that a clause be added to clarify, for the avoidance of doubt, that the reduction or discontinuance of the offtake of gas at Exit Points may only be enforced in accordance with the provisions of TPD Section Q – Emergencies or where the Permitted Rate of Offtake is exceeded.

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0860>.

RHa flagged that the last time the Modification was presented to the Panel, it was determined to be Self-Governance, however, further to Workgroup discussions, the proposer has amended the Modification to Authority Direction. It was determined that the Panel would vote to decide whether the Modification meets the Self-Governance criteria.

Panel Members considered the Workgroup Report recommendation, that this Modification should proceed to Consultation. There were no additional Panel Questions.

For Modification 0860, Members determined (with 13 Panel votes available):

- The criteria for Self-Governance is not met, as this Modification is likely 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).
- The Modification should be issued with a 21-day consultation, and considered at the 19 September 2024 Panel, by unanimous vote (13 out of 13).

**c) Modification 0862 - Amendments to the current Unidentified Gas Reconciliation Period arrangements.**

KE introduced the Workgroup Report summarising that this Modification proposes amendments to the current Unidentified Gas (UIG) Reconciliation Period arrangements to reconcile UIG to the same months that the energy originated from (instead of smearing over the previous 12 months).

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0862>

Panel Members considered the Workgroup Report recommendation, that this Modification should proceed to Consultation. There were no additional Panel Questions.

For Modification 0862, Members determined (with 13 Panel votes available):

- The Modification should be issued with a 21-day consultation, and considered at the 19 September 2024 Panel, by unanimous vote (13 out of 13).

**d) Modification 0873 - Allow specific roll-over for the AUG Table 2025/26.**

KE introduced the Workgroup Report summarising that this Modification seeks to allow an approved AUG Table to apply for more than one AUG Year, specifically for the AUG Table which will go live for AUG Year 25/26.

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0873>

A Panel Member explained that the reason behind the request for a shorter consultation period is the time constraint relating to getting this Modification to Ofgem within a certain time frame. Panel Members considered the consultation period so that there is an optimal consultation period and reading period for the Panel.

Panel Members considered the Workgroup Report recommendation, that this Modification should proceed to Consultation. There were no additional Panel Questions.

For Modification 0873, Members determined (with 13 Panel votes available):

- The Modification should be issued with a 13-day consultation, and considered at the 15 August 2024 Panel, at short notice, by unanimous vote (13 out of 13).

**e) Modification 0875S - Minor amendment to the Vacant Site exit process & 0819 Legal Text re-numbering.**

KE introduced the Workgroup Report summarising that this Modification seeks to make a minor amendment to the Vacant Site exit process when the exit criteria trigger is 'Class Change is submitted' or 'Isolation request'; and revise the 0819 Legal Text numbering post Modification 0816 implementation.

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0875>.

Panel Members considered the Workgroup Report recommendation, that this Modification should proceed to Consultation. There were no additional Panel Questions.

For Modification 0875S, Members determined (with 13 Panel votes available):

- The Modification should be issued with a 10-day consultation, and considered at the



15 August 2024 Panel, at short notice, by unanimous vote (13 out of 13).

**f) Modification 0878 - Use of Capacity Holdings at Easington at the Rough Storage ASEP in Winter 2024/2025.**

KE introduced the Workgroup Report summarising that this Modification will ensure entry capacity holdings at the Easington Aggregated System Entry Point (ASEP) can be utilised at the Rough Storage ASEP during Winter 2024/25 in the same way as they were during Winter 2022/23 and Winter 2023/24. An enhancement has been proposed to permit any User which secures Rough Storage Capacity can redesignate Easington Entry Capacity to the Rough ASEP.

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/0878>

Panel Members considered the Workgroup Report recommendation, that this Modification should proceed to Consultation. There were no additional Panel Questions.

For Modification 0878, Members determined (with 13 Panel votes available):

- The Modification should be issued with a 13-day consultation, and considered at the 15 August 2024 Panel, at short notice, by unanimous vote (13 out of 13).

**322.12. Existing Modifications for Reconsiderations**

**Modification Process Workgroup Update:**

M Brown (MB) provided an update on the discussions held in the Modification Process Workgroup (MPW). MB advised that Ofgem intends to publish a workgroup report in due course. The report will outline what has been discussed and views provided by the MPW. Due to the pre-election period, the workgroup sessions were delayed, consequently, Ofgem may publish the report in two parts.

The third session of the Modification Process Workgroup (MPW) took place on 12 July. It discussed premodification processes, triage criteria, and prioritisation processes and criteria. The MPW looked at examples of what happens in current arrangements and considered how they could inform the design of a new process. Workgroups were also discussed, including how the code manager could make these more effective. Lastly, the self-governance criteria were considered and whether they need to change as part of an updated code modification process.

**Expected Decision Dates Table:**

MB confirmed that Ofgem has commenced publishing again, following the General Election, and it is in the process of confirming new expected decision dates for code modifications with Ofgem for decision. This is part of an Ofgem-wide strategic review of all publications.

MB noted that Ofgem will look to communicate these Expected Decision Dates (EDDs) where possible at code panel meetings, however, for the time being, Ofgem will not be publishing an updated EDD register on its website. This is because organisational priorities may change in light of the new government coming into power, and Ofgem is not in a position to confirm expected decision dates for all code modifications currently with them.

MB confirmed that the decision letters for [UNC Modification 0842](#) and IGT0172 are expected to be published on 19 July 2024.

D Addison (DA) highlighted Modification 0878 (Use of Entry Capacity Holdings at Easington at the Rough Storage ASEP in Winter 2024/2025) and Modification 0873 (Allow specific roll-over for the AUG Table 2025/26) to MB explaining that these two Modifications will be submitted to Ofgem for a decision following the August 2024 UNC Panel and will require a quick turnaround due to the tight time constraints. MB noted DA’s point and advised that these Modifications have been highlighted to the team.

**Strategic Direction Statement:**

MB provided an update on Ofgem’s approach to development of the strategic direction statement (SDS), for which Ofgem will be holding two workshops that will be open to code panels to attend. Invitations have been sent to the Joint Office to be forwarded on to Panel Members. These workshops will take place on 31st July and 6th August. Ofgem asked parties to confirm attendance if they have not RSVP’d yet.

MB advised that any questions about the content, format, etc of the workshops can be included in the RSVP response or may be emailed to [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk).

**Joint Office Website:**

MB raised a concern about the historical data on the JO website. MB noted that the work being done on the website is positive, however, the lack of some historical data is causing some concern as providing data is one of JO’s obligations as the Code Administrator.

KE advised that JO has taken the industry feedback into account and the historical data is currently being uploaded and tested on the website. KE noted that the data will be available as Archive Documentation. In the meantime, if anyone requires access to data they cannot locate, it can be requested from JO at [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk).

C Gilbert (CG) highlighted that the Data Best Practice Steering Group meeting is being held on the same day as a UNC Panel meeting. The Chair asked JO to raise a formal point about the meeting date with the organisers of the group so that there are no clashes.

**322.13. Modification Reporting**

**Legal Text Requests:**

UNC Modification Panel Members discussed the Legal Text Requests and determined unanimously to make Legal Text Requests for the following Modification(s):

<b>Legal Text Requests for Modifications</b>	<b>Accepted</b>
0868 - Change to the current Allocation of Unidentified Gas Statement frequency	Yes
0872S - Single-sided Nominations for clearing houses of gas exchanges	Yes

**322.14. Any Other Business**

**a) Update on UNC User Representative Process**

RHa highlighted the UNC User Representative vacancies in the DSC Contract and DSC Change Committees where positions are available such that if not filled, there will be issues with quoracy. RHa noted that if the vacancies are not filled, the Committees will rely on the alternates being informed and attending.

The Chair invited Panel Members to consider volunteering for these vacancies or urging colleagues to step in. RHa noted that the nominations window can be re-opened to try and fill as many vacancies as possible.

**322.15. Date of Next Meeting(s):**

Panel meetings are listed at: <https://www.gasgovernance.co.uk/panel/2024>

All other Joint Office events are available via: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

<b>Time / Date</b>	<b>New Mod Deadline</b>	<b>Venue</b>
10:00 Thursday 15 August 2024	5pm Friday Fri 02 August 2024	Teleconference / Microsoft Teams
10:00 Thursday 19 September 2024	5pm Friday Fri 06 September 2024	Teleconference / Microsoft Teams
10:00 Thursday 17 October 2024	5pm Friday Fri 04 October 2024	Teleconference / Microsoft Teams
10:00 Thursday 21 November 2024	5pm Friday Fri 08 November 2024	Teleconference / Microsoft Teams
10:00 Thursday 19 December 2024	5pm Friday Fri 06 December 2024	Teleconference / Microsoft Teams