










UNC Final Modification Report	At what stage is this document in the process?
<h1 data-bbox="132 320 657 412">UNC 0804:</h1> <h2 data-bbox="132 448 1051 589">Consequential UNC changes for Switching SCR (REC 3.0)</h2>	<div data-bbox="1209 315 1473 638"> <div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div> </div>
<p>Purpose of Modification:</p> <p>Ofgem's Switching Significant Code Review (SCR) will introduce the new Central Switching Service (CSS) and version 3.0 of the Retail Energy Code (REC 3.0). This Modification Proposal is part of the Switching SCR and progresses the consequential UNC changes needed to align with REC 3.0.</p>	
<p>Next Steps:</p> <p>Panel consideration is due on 21 April 2022.</p>	
<p>Impacted Parties:</p> <p>High:</p> <p>Low:</p> <p>None: This will impact all Uniform Network Code (UNC) Parties and new entrants who accede to the UNC.</p>	
<p>Impacted Codes: Uniform Network Code</p> <p>The Authority are raising Modifications in all other relevant Code forums in parallel with this proposal as part of the Switching SCR.</p>	

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Timetable		
Modification timetable:		 enquiries@gasgovernance.co.uk
Date Modification Raised	09 February 2022	 0121 288 2107
New Modification to be considered by Panel	17 February 2022	Proposer: Nicola Garland
Draft Modification Report issued for consultation	04 March 2022	 switching.programme@ofgem.gov.uk
Consultation Close-out for representations	01 April 2022	 020 7901 7000
Final Modification Report available for Panel	04 April 2022	Transporter: Guv Dosanjh, Cadent
Modification Panel decision	21 April 2022	 Gurvinder.dosanjh@cadentgas.com
Final Modification Report available for Ofgem	22 April 2022	 07773 151572
		Systems Provider: Xoserve
		Other: Kishan Nundloll, Ofgem
		 kishan.nundloll@ofgem.gov.uk

1 Summary

What

Ofgem's Switching Significant Code Review (SCR) is part of Ofgem's Switching Programme. It will introduce faster and more reliable switching for gas and electricity consumers, including a harmonised dual-fuel Central Switching Service (CSS), supported by version 3.0 of the Retail Energy Code (REC 3.0).

Consequential UNC changes are needed to implement the End-to-End Business Process Design developed by the Switching Programme and specifically to align the UNC with REC 3.0.

Why

The UNC must align with REC 3.0 from the go-live date for CSS, which is also the REC 3.0 effective date.

The Implementation Date for this Modification Proposal must be flexible and tied to the CSS go-live date / REC 3.0 effective date, as determined by Ofgem. Ofgem currently anticipates the CSS go-live date to be 18 July 2022; however, the Authority will decide the exact date nearer the time.

More detail can be found on the Ofgem website: <https://www.ofgem.gov.uk/>

How

In the case of the UNC and in line with the Authority's SCR guidance, the Authority has worked with the code body and stakeholders to develop the drafting of the consequential changes to UNC required for the Switching Programme. The Authority's June 2019 consultation allowed industry parties the opportunity to view and comment on proposed changes to industry codes required for the Switching Programme, and these proposed change were then further discussed with relevant industry parties through the Switching Programme Regulatory Design User Group (RDUG).¹

2 Governance

Justification for Authority Direction

The proposer of this Modification is the Authority. As the Modification will make changes to the UNC to enable the creation of the Central Switching Service (CSS) and align the UNC with REC v3.0, it is likely to have a material impact on existing or future gas consumers. In addition it is likely to have an effect on competition in, and commercial activities related to, the shipping, transportation or supply of gas. Finally, the Modification will change some aspects of UNC governance.

Therefore, the Modification should be considered a material change and not subject to Self-Governance.

As this Modification is being proposed by the Authority, and is part of the Switching SCR, this means that a suite of Modifications is being raised across several Code Forums in parallel. Therefore, the Modification should proceed under a timetable agreed with the Authority.

¹ Papers for the Switching Programme Regulatory Design User Group (RDUG) are available to industry stakeholders via the Switching Programme Portal, [link](#).

Requested Next Steps

This Modification should proceed to Consultation and should proceed as such under a timetable agreed with the Authority.

3 Why Change?

The Authority launched the Switching Significant Code Review (SCR) in November 2015 in order to introduce the necessary changes required to the licence and code framework for the Switching Programme. The objective of the Switching Programme is to improve consumers' experiences of switching, leading to greater engagement in the retail energy market by designing and implementing a new switching process that is reliable, fast and cost-effective. This will build consumer confidence and facilitate competition, delivering better outcomes for consumers.

The SCR mechanism allows Ofgem to holistically manage complex changes to multiple industry codes and licence conditions. Key to the process is effective working with industry and other stakeholders, including consumer representatives.

Alongside the Switching SCR, Ofgem launched the Retail Code Consolidation (RCC) SCR in November 2019. The purpose of that SCR was to rationalise retail energy codes by closing down the electricity Master Registration Agreement (MRA), gas Supply Point Administration Agreement (SPAA), the Smart Meter Installation Code of Practice (SMICOP), and Green Deal Arrangements Agreement (GDAA), and consolidating many of the requirements from these codes into the new Retail Energy Code (REC) or transferring them to another industry code as appropriate.

With the coming into effect of REC version 2.0 in September 2021, together with the implementation of consequential changes to other industry codes and the close-down processes for the MRA and SPAA in progress, Ofgem closed the RCC SCR. Ofgem then continued to progress the Switching Programme and related Switching SCR.

The Switching SCR will bring about significant changes to the REC as part of the Switching Programme, introducing REC version 3.0. These changes to the REC will require consequential changes to be made to other codes, including UNC, to reflect the new arrangements, leading to this UNC change proposal.

4 Code Specific Matters

Reference Documents

Uniform Network Code (UNC)

[Switching Programme: Full Business Case | Ofgem](#)

5 Solution

The solution and Legal Text updates required have been provided within the attached legal drafting for this Significant Code Review Modification Proposal. These are included as redlined documents in the attachments.

6 Impacts & Other Considerations

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

This is being raised as part of the Significant Code Review being instructed by the Authority.

Consumer Impacts

Insert text here.

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 See below	Positive
Benefits for society as a whole See below	Positive

The UNC changes support Ofgem's Switching Programme. The Programme's overall objective is to improve consumers' experience of switching, leading to greater engagement in the retail energy market, by designing and implementing a new switching process that is reliable, fast and cost-effective. This will build consumer confidence and facilitate competition, delivering better outcomes for consumers.

Ofgem's [Full Business Case](#) for the Switching Programme estimates the overall monetised benefit to consumers to be between £185m and £1,077m. Ofgem's identified monetised benefits include the following factors relating to improved quality of service for consumers:

- Direct benefits to consumers from faster switches and lower volumes of exceptions; and
- Indirect benefits of higher switching volumes likely to result from easier and more reliable switching.

Ofgem's Full Business Case also identifies non-monetised benefits of:

- Benefits to consumers of encouraging and enabling greater competition and innovation in the market (i.e. from competitive pressure leading to bills being lower than would otherwise have been the case); and
- Benefits of having a single switching system designed with future change in mind and that is better able to adapt to innovation.

As set out in the Full Business Case, Ofgem believes that the non-monetised benefits will outweigh monetised benefits.

Cross-Code Impacts

The development of version 3.0 of the REC, as part of Ofgem's Switching SCR, requires consequential changes to the UNC as detailed in this Change Proposal. The UNC changes have no impact on the REC. In parallel to this Modification, Ofgem is separately progressing modifications to the codes of several other code bodies in parallel with this Modification, namely, the BSC, SEC, DCUSA & IGT-UNC. The timetables of this Significant Code Review Modification Proposal and the cross-code parallel modifications are all being led by the Authority.

EU Code Impacts

N/A

Central Systems Impacts

N/A

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.	Positive
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

This Significant Code Review Modification Proposal will better facilitate the achievement of Relevant Objective (f) by ensuring that the UNC aligns with version 3.0 of the REC as of the go-live date for CSS/REC 3.0. Failure to ensure this would create risks for the successful delivery of Ofgem's Switching Programme as well as adverse impacts for UNC parties, who would be unable to use the UNC processes needed to support the new CSS arrangements. This in turn would create adverse effects for consumers.

As the consequential UNC changes support the delivery of faster, more reliable switching they also promote effective supply competition and thereby better facilitate the achievement of Relevant Objective (d).

8 Implementation

Subject to considering the views of industry through the consultation and the recommendations for implementation following determination by UNC Modification Panel, Ofgem anticipates implementation of this Modification in time for the CSS Go Live Date (as defined by the REC), which is currently expected to be 18 July 2022, assuming that all affected Codes are able to progress their modifications within the same timeframe. The Authority shall designate the CSS Go Live Date (as defined in the REC) in due course.

9 Legal Text

Legal Text has been provided by Cadent on behalf of the Gas Transporters for this Significant Code Review Modification Proposal. The legal drafting is included as redlined (change marked) documents.

Text

Legal Text has been published alongside this Modification. This can be found here:

<https://www.gasgovernance.co.uk/0804>

10 Consultation

Panel invited representations from interested parties on 03 March 2022. All representations are encompassed within the Appended Representations section.

The following table provides a high-level summary of the representations.

Implementation was unanimously supported in the 3 representations received.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives
Cadent Gas Ltd	Support	d) positive f) positive
Northern Gas Networks	Support	f) positive
Wales & West Utilities	Support	f) positive

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report and will be taken into account when the UNC Modification Panel makes

its assessment and recommendation.

11 Panel Discussions

Discussion

Consideration of the Relevant Objectives

Determinations

12 Recommendations

Panel Recommendation

Panel Members recommended that Modification 0804 **[should [not]** be implemented.

13 Appended Representations

Representation - Cadent Gas Ltd

Representation - Northern Gas Networks

Representation - Wales & West Utilities

Cadent Gas Limited
Brick Kiln Street, Hinckley
Leicestershire LE10 0NA
cadentgas.com

Bob Fletcher
Joint Office of Gas Transporters
Radcliffe House,
Blenheim Court,
Warwick Road,
Solihull
B91 2AA

Andy Clasper
Andy.clasper@cadentgas.com
Direct tel +44 (0)7884 113385

1st April 2022
Your Reference: UNC Modification Proposal 0804

UNC Modification Proposal 0804 - Consequential UNC changes for Switching SCR (REC 3.0)

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposal which Cadent would like to support.

Do you support or oppose implementation?

Support

Relevant Objective:

- d) Positive
- f) Positive

Reason for support/opposition:

We agree that the modification will align the UNC with version 3.0 of the REC so furthering Relevant Objective f)

We also agree that the UNC consequential changes support faster, more reliable switching so furthering Relevant Objective d)

Implementation

We agree with the suggested implementation date being aligned to the CSS Go Live Date, currently expected to be 18 July 2022.

Impacts and Costs

No costs identified.

Legal Text

As legal text provider we are satisfied that the provided text meets the requirements of the modification.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

We have not identified any further errors or omissions.

Please provide below any additional analysis or information to support your representation

Nothing further to add.

We trust that this information will assist in the compilation of the Final Modification Report. Please contact me on 07884 113385 (andy.clasper@cadentgas.com) should you require any further information.

Yours sincerely,

Andy Clasper

Joint Office

enquiries@gasgovernance.co.uk

01 April 2022

Dear Sir or Madam,

Re: 0804 Consequential UNC changes for Switching SCR (REC 3.0)

Thank you for the opportunity to provide representation on the above noted Modification Proposal. Please find below Northern Gas Network's (NGN) comments in respect of this change.

NGN supports this Modification Proposal.

Reason for support/opposition:

Please summarise (in one paragraph) the key reason(s)

We support this Significant Code Review (SCR) modification as it facilitates the alignment of the Uniform Network Code (UNC) with the Retail Energy Code (REC) V3 Central Switching Service (CSS) from the go live date, therefore furthering Relevant Objective f) *the promotion of efficiency in the implementation and administration of the Code.*

Self-Governance Statement:

Please provide your views on the self-governance statement.

As this is an SCR modification Authority Direction applies.

Implementation:

What lead-time do you wish to see prior to implementation and why?

Implementation should be aligned with the CSS go live date (currently expected 18/07/22).

Impacts and Costs:

What analysis, development and ongoing costs would you face?

NGN has identified no analysis or development required and no ongoing costs incurred as a result of this proposal.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the Solution?

NGN acknowledges that this legal text has been developed by Cadent on behalf of the Gas Transporters, and has reviewed in various forums.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

Include details of any impacts/costs to your organisation that are directly related to this.

None identified.

Smell gas?

Call the National Gas Emergency

Service on 0800 111 999



1100 Century Way
Thorpe Park Business Park
Colton, Leeds LS15 8TU



0113 397 5300



northerngasnetworks.co.uk

**we are
the network**

Please provide below any additional analysis or information to support your representation.

None.

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,

Tracey Saunders (via email)
Market Services Manager (Industry Codes)
Mobile: 07580 215 743

Smell gas?

Call the National Gas Emergency
Service on 0800 111 999



1100 Century Way
Thorpe Park Business Park
Colton, Leeds LS15 8TU



0113 397 5300



northerngasnetworks.co.uk

**we are
the network**

Representation - Draft Modification Report UNC 0804

Consequential UNC changes for Switching SCR (REC 3.0)

Responses invited by: **5pm on 01 April 2022**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Richard Pomroy
Organisation:	Wales & West Utilities
Date of Representation:	1 st April 2022
Support or oppose implementation?	Support
Relevant Objective:	f) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

We support implementation because this modification will align the UNC to the Retail Energy Code (REC) v3.0 and make the necessary consequential changes to the UNC due to faster switching becoming Supplier rather than Shipper centric for most Supply Points. This modification therefore furthers relevant objective (f) *Promotion of efficiency in the implementation and administration of the Code*.

Implementation: What lead-time do you wish to see prior to implementation and why?

This modification is subject to Authority Determination and hence the implementation date is for the Authority to determine; however our view is that implementation should be on the CSS Go Live Date (as defined in the REC), which is currently expected to be 18 July 2022.

Impacts and Costs: What analysis, development and ongoing costs would you face?

WWU will have to absorb some additional operating costs due to the changes implemented.

Legal Text: Are you satisfied that the legal text will deliver the intent of the Solution?

Yes.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No

Please provide below any additional analysis or information to support your representation