

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

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Dear Les

Decision to 'send back' UNC modification proposal UNC551 'Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16'

On 19 November 2015, the UNC Panel submitted UNC551 to us for our decision. We have decided we cannot make a decision on this proposal based on the information provided in the Final Modification Report (FMR).

The legal text proposes that the provisions shall apply from 1 October 2015 to 31 May 2016, which means that, if approved, UNC551 would apply retrospectively. We have previously issued guidance¹ on retrospective application of modifications, as part of wider guidance on urgent modifications, as there are only particular circumstances where we consider it to be appropriate. However, we note that the FMR does not include any reasons to support the proposed retrospective implementation date. As previously advised at the UNC Panel, we consider the workgroup needs to justify the retrospective implementation date with reference to our guidance.

We also note that, although the modification is aimed at protecting customers affected by UNC428², which introduced the UNC rule permitting only one meter per supply point, it would not apply to any customers who were disaggregated between the decision date for UNC428 of 25 July 2013 and the proposed UNC551 application date of 1 October 2015. We are concerned that this could discriminate against those customers. We consider the workgroup needs to provide evidence as to why this is appropriate, or revise the application period to include all customers affected by UNC428 (if justification for any retrospective application is provided).

In accordance with paragraph 9.3.8 of the UNC – Modification Rules, we direct that FMR for UNC551 should be revised to address the points above, and resubmitted as soon as is practicable.

Yours sincerely



Paul Branston
Associate Partner – Gas Networks

Signed on behalf of the Authority and authorised for that purpose

¹ <https://www.ofgem.gov.uk/ofgem-publications/61726/ofgem-guidance-code-modification-urgency-criteria.pdf>

² <http://www.gasgovernance.co.uk/0428>