

**UNC Modification Panel**  
**Minutes of Meeting 288 held on**  
**Thursday 17 March 2022**  
**via teleconference**

**Attendees**

**Voting Panel Members:**

<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representatives</b>
P Everett (PE), Corona Energy D Morley (DM), Ovo Energy O Chapman (OC), Centrica and on behalf of M Bellman (MB) R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom Energy	A Travell (AT), BUUK D Lond (DL), National Grid NTS D Mitchell (DMi), SGN G Dosanjh (GD), Cadent R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern Gas Networks	S Hughes (SH), Citizens Advice E Proffitt (EP), Major Energy Users' Council

**Non-Voting Panel Members:**

<b>Chairperson</b>	<b>Ofgem Representative</b>	<b>Independent Supplier Representative</b>
W Goldwag (WG), Chair	J Semple (JS)	(None)

**Also, in Attendance:**

- B Fletcher (BF), Joint Office
- C Aguirre (CA), Pavilion Energy
- E Rogers (ER), Xoserve - CDSP Representative
- H Moss (HM), Cornwall Insight
- K Elleman (KE), Joint Office
- M Bhowmick-Jewkes (MBJ), Joint Office
- N Wye (NW), Waters & Wye Associates
- P Garner (PG), Joint Office

R Hailes (RH), Joint Office

## **Record of Discussions**

### **288.1 Introduction**

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

### **288.2 Note of any alternates attending the meeting**

P Everett on behalf of D Fittock, Corona Energy

O Chapman on behalf of M Bellman, ScottishPower

### **288.3 Record of apologies for absence**

A Jackson, Gemserv

D Fittock, Corona Energy

### **288.4 Minutes of the last meetings 17 February 2022**

Panel Members noted a minor amendment to the minutes from 17 February 2022. The amendment was accepted, and the minutes were approved.

### **288.5 Review of Outstanding Action(s)**

**PAN 02/01:** National Grid NTS and CDSP (ER) to provide an update on Gemini system updates at the April 2022 Panel Meeting.

**Update:** K Elleman (KE) noted this update is not due until April 2022. E Rogers (ER) confirmed that P Hobbins (PH) at National Grid has advised that an update will be provided at the April Panel. D Lond (DL) agreed with this position.

#### **Carried Forward**

**PAN 02/02:** To review the Cross Code impacts of Modification 0803 and report back to the next Governance Workgroup.

**Update:** KE advised that this Action incorrectly referred to Modification 0802 in the minutes, which have now been updated. KE added Modification 0803 will report back to Panel in August and a review of the Cross Code impacts will be explored in the Governance Workgroup.

#### **Closed**

#### **Panel Voting Update:**

KE presented an overview of the current Panel Voting Arrangements for implementation votes and an amended approach from March 2022 Panel. Please see the published slides on the Panel meeting page for full details: <https://www.gasgovernance.co.uk/panel/170322>

KE advised that some concerns had been raised on whether the Panel voting arrangements were in line with the Modification Rules, following which the Joint Office had carried out a review of the rules and set out the suggested approach.

G Dosanjh (GD) noted that Panel Members do not have to participate in a vote and can instead leave the room when meeting in person, and this needs to be considered when meeting virtually. KE accepted this view suggesting that Panel Members wishing to excuse themselves from a discussion can be moved to the Teams meeting lobby or they can dial off and dial back in once the vote is over.

S Mulinganie (SM) clarified that exercisable votes are based on the number of Panel Members in the meeting room. KE confirmed this was correct.

WG suggested that instead of Panel Members dialling out of the meeting, the Panel Chair can give clear directions to those who do not want to participate in a vote. Panel Members agreed with this.

S Hughes (SH) asked what the rationale was for a Panel Member to leave the room or dial out of a meeting instead of voting no.

R Hailes (RH) explained that this was to allow for the case when a Panel Member had to have a comfort break, causing the exercisable votes to reduce.

SH asked why Panel Members cannot simply choose to not cast a vote. KE stated this was linked to Ofgem's appeals process and visibility around the total number of votes that had been available.

E Proffitt (EP) asked for clarification on why Panel Members could not abstain. RH explained that the wording is in line with the Modification Rules. EP highlighted that these arrangements are not in line with other industry voting procedures. WG accepted this view but noted that the UNC Panel voting process has to be in line with the Uniform Network Code's Modification Rules.

SM asked if a Panel Member chose to not exercise a vote, would that mean they are not in the overall voting pot. KE explained that if no vote is exercised, it would be akin to staying silent but for Authority Direction votes the total number of exercisable (members in the room) would remain the same. SM asked if a Panel Member chooses to absent themselves from a vote which could influence other voting, how could this be noted. KE suggested that the Panel Member needs to make it clear to the Panel Chair prior to the vote being taken that they do not wish to be present for the discussions or voting and it would be the Chair's discretion on how the request is handled.

WG agreed noting that the UNC rules need to be followed and if a Panel Member is unwilling to participate in a vote, they can excuse themselves from it in line with the rules.

#### **288.6 Consider Urgent Modifications**

- a) None.

#### **288.7 Consider Variation Request**

- a) None

#### **288.8 Final Modification Reports**

- a) **Modification 0794S - Obligation for DNOs to Continue Provision of Gas Composition Information to National Grid NTS**

Panel Discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0794>.

Panel Members agreed that implementing this Modification would be beneficial and cost efficient.

Panel Members then determined that (14 Panel votes were available for the determinations):

- No new issues were identified during consultation, by unanimous vote (14 out of 14).
- Modification 0794S still meets the Self-Governance Criteria, by unanimous vote (14 out of 14).
- Modification 0794S is not related to the Significant Code Review, by unanimous vote (14 out of 14).
- Modification 0794S has no Cross Code impacts, by unanimous vote (14 out of 14).
- Modification 0794S should be implemented, by unanimous vote (14 out of 14).

**b) Modification 0796 - Revision to the Determination of National Grid NTS Target Revenue for Transportation Charging**

Panel Discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0796>

Panel Members noted this is a significant Modification but had only received three representations to the Consultation. S Hughes (SH) highlighted that there were no comments from the Workgroup on the Relevant Objectives or implementation. It was further noted that a Consultation representation stated that there is not sufficient or suitable analysis to support this Modification.

D Lond (DL) disagreed with this view stating that the Workgroup had good attendance levels and Workgroup Members have shown in the past that they are not reticent about putting forward their views. DL stated that the lack of discussions or pushback at Workgroup suggested that the industry supported this Modification instead.

SH expressed concern that a trend is emerging that industry appears to have nothing to say (Workgroup reports noting no comments from Workgroup Participants) and there is no recorded information to assist Panel in determining whether a Modification should be implemented or not. WG agreed with this view noting that it appeared that Workgroups are currently somewhat overwhelmed, and the right details are not being recorded.

Guv Dosanjh (GD) agreed with these views and suggested in the last six months 26 gas companies have closed, resulting in Supplier of Last Resort (SoLR) and related activities and thus industry attention has been diverted. The Ofgem BEIS Code Governance Review may address this. Richard Pomroy (RP) agreed with this view.

RP stated that this Modification was written with examples from entry and it was not immediately clear that the Modification applies to exit as well as entry, though through discussion this is now clear.

P Garner (PG) noted that the industry had sufficient time and opportunities to review this Modification, and whether they had utilised these opportunities was at their discretion.

S Mulinganie (SM) suggested that whilst under normal circumstances there are sufficient resources for parties to engage in developing key Modifications, the current circumstances have led to resources and attention being diverted by large swathes of the market being removed and the situation continues to be volatile. SM added that the relevance of this Modification is therefore low whilst the industry is reacting to remaining afloat.

WG acknowledged SM's point but highlighted that Panel may be making a decision on implementation without accurately assessing it. WG asked Panel Members to consider whether this Modification should be considered at the moment.

DL noted that this Panel conversation is highly relevant in general, though it may equally apply to other Modifications rather than just be relevant to this Modification 0796.

It was noted that these discussions on industry engagement would be captured in the minutes as well as the Final Modification Report.

DL advised that implementing this Modification was time critical and that implementing it would smooth charges and give customers some stability.

WG asked Panel Members who had attended the Workgroups for their views. R Fairholme (RF) noted that he had been involved in some of the discussions and confirmed that the general consensus had been that the Modification is non-contentious.

WG asked Panel Members to consider whether a new issue had been identified in the Consultation representations.

For Modification 0796 Panel Members then determined that (14 Panel votes were available for the determinations):

- No new issues were identified during consultation, by unanimous vote (14 out of 14).

Panel Members discussed concerns about National Grid requiring a licence condition for the Modification to be implemented. Some Panel members were concerned whilst some disagreed with this view.

SH clarified that the concern is not about the solution of the Modification but rather whether a licence condition will be required for implementation.

Panel Members then determined that (14 Panel votes were available for the determinations):

- Modification 0796 is not related to the Significant Code Review, by unanimous vote (14 out of 14).
- Modification 0796 has no Cross Code impacts, by unanimous vote (14 out of 14).
- Modification 0796 recommended for implementation, by majority vote (11 out of 14).

**c) Modification 0798 - Enablement of Exit Assignment process at Interconnectors**

Panel Discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0798>.

Panel Members then determined that (14 Panel votes were available for the determinations):

- No new issues were identified during consultation, by unanimous vote (14 out of 14).
- Modification 0798 meets the Self-Governance Criteria, by unanimous vote (14 out of 14).
- Modification 0798S is not related to the Significant Code Review, by unanimous vote (14 out of 14).
- Modification 0798S has no Cross Code impacts, by unanimous vote (14 out of 14).
- Modification 0798S to be implemented, by unanimous vote (14 out of 14).

**288.9 Consider New, Non-Urgent Modifications**

**a) Modification 0805 - Introduction of Weekly NTS Exit Capacity Auctions**

N Wye (NW) introduced this Modification explaining it is seeking to introduce Weekly NTS Exit Capacity Auctions to allow for more economic and efficient capacity bookings.

WG asked Panel Members to consider any issues for Workgroup to consider specifically. Richard Pomroy (RP) asked that Workgroup consider potential charges or impact on charges given that National Grid will want to recover allowed revenue for exit. Introducing weekly auctions will suggest that capacity will migrate from daily or annual; what will be the impact on prices for annual capacity? Even if it's redistributing money, industry needs to know impacts as it will impact different parties differently. NW suggested that parties booking daily would move to weekly rather than those currently booking annual moving to weekly and suggested the Modification would ideally this will reduce charges.

Tracey Saunders (TS) asked to see analysis at Workgroup and questioned whether 3 months was sufficient time to produce and review that analysis. NW said this will be sufficient. Rebecca Hailes (RH) asked what analysis would be required and suggested this could be specified now to assist with this. TS said the area RP had asked for analysis on would maybe cover it, though Workgroup may request more.

GD proposed that, as with all modifications, Workgroup should review the governance route. RH confirmed Workgroup would consider this as a matter of course.

Panel Questions:

Q1. Impact of this Modification on charges (for example on annual capacity)

Q2. Should the Modification remain Self Governance

For Modification 0805 Members determined (14 Panel votes were available for the determinations):

- It is not related to the Significant Code Review, by unanimous vote (14 out of 14).
- There are no Cross-Code impacts, by unanimous vote (14 out of 14).
- The criteria for Self-Governance met, as this Modification is unlikely 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).
- Modification 0805S is issued to Workgroup 0805S with a report to be presented to the 16 June 2022 Panel, by unanimous vote (14 out of 14).

#### **288.10 Existing Modifications for Reconsiderations**

Jennifer Semple (JS) advised the following decision timelines for these Modifications awaiting Ofgem Decisions.

**a) Modification 0790 (Urgent) - Introduction of a Transmission Services Entry Flow Charge**

TBC 2022

**b) Modification 0746 - Application of Clarificatory change to the AQ amendment process within TPD G2.3 from 1st April 2020**

TBC 2022

**c) Modification 0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExA**

TBC

**d) Modification 0780 - Amendment to Gas Quality NTS Entry Specification at the St Fergus SAGE System Entry Point**

15 April 2022

**e) Modification 0779/A - Introduction of Entry Capacity Assignments**

TBC 2022

#### **288.11 Workgroup Issues/Updates**

**a) None.**

#### **288.12 Workgroup Reports for Consideration**

**a) Modifications 0800 - Introducing the concept of a derogation framework into Uniform Network Code (UNC) (Authority Direction)**

Panel Members noted the Workgroup Report recommended that that this Modification should be issued to Consultation. TS apologised and confirmed the delayed legal text commentary had been provided. TS asked whether it could be flagged for consultation that only parts of this Modification are new. WG confirmed the whole document would go out for consultation and PG confirmed this was a standalone Modification. SM asked if Panel could ask a question as a preamble to explain that this had already gone to Ofgem as Modification 0760 and that the new Modification had taken Ofgem's comments on board.

(see: <https://www.gasgovernance.co.uk/0760>)

RH suggested the Joint Office could add a line in the email explaining this. SH noted that Ofgem was involved in this Workgroup which allayed his concerns.

For Modifications 0800, Members determined (14 Panel votes were available for the determinations):

- Modification 0800 to be issued to consultation with a close out date of 07 April 2022 and to be considered at the 21 April 2022 Panel, by unanimous vote (14 out of 14).
- Deemed Legal Text Request approved, by unanimous vote (14 out of 14).

**b) Modification 0802S - Clarification of ‘Annual Update’ for impacted Users in relation to CNCCD Election(s)**

Panel Members noted the Workgroup Report recommended that that this Modification should be issued to Consultation. Panel Members discussed the paucity of Workgroup comments in the Workgroup Report and the effect this has had on Panel Members’ ability to understand Workgroup’s views. (See also AOB d) 3).

New Action PAN 03/01:	Liaise with SH (Citizen’s advice) to consider actions to improve reporting and Workgroup engagement	Joint Office (KE)
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For Modification 0802S, Members determined (14 Panel votes were available for the determinations):

- Modification 0802S to be issued to consultation with a close out date of 07 April 2022 and to be considered at the 21 April 2022 Panel, by unanimous vote (14 out of 14).

**288.13 Consideration of Workgroup Reporting Dates and Legal Text Requests**

Panel Members determined unanimously to extend the following Workgroup reporting date(s), recorded here with some additional data:

<b>Modification number and title</b>	<b>Current Panel reporting date</b>	<b>Requested Panel reporting date</b>	<b>Reason for request to change Panel reporting date/Comments</b>
0792S - Amendments to Cost Recovery under OAD	17 March 2022	21 April 2022	1 month extension – for Legal Text to be finalised

### Legal Text Requests

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

<b>Legal Text Requests for Modifications</b>
0800 - Introducing the concept of a derogation framework into Uniform Network Code (UNC) (Authority Direction) (deemed)
0799 - NC arrangements for the H100 Fife project (100% hydrogen)
0792S - Amendments to Cost Recovery under OAD

#### 288.14 AOB

##### a) **UNC Self Governance Guidance – Annual Review**

KE advised this document was reviewed in May 2021 and it was amended and updated at that time. KE suggested that no updates are required at this time but highlighted that any amendments can be requested at any time.

Panel Members approved. RH noted the document will be marked to show it has been reviewed and reissued.

##### b) **Ofgem Annual Survey**

PG introduced the Ofgem Annual Survey noting that it is not in-depth and does not take into account the KPIs and other data showing UNC mechanisms. The survey is also skewed with some questions having only 9 respondents. She noted this is the fourth code administrator survey. The number of people participating overall has also gone down significantly. Bob Fletcher (BF) noted that in overall terms there appeared to be a general drop in overall satisfaction across the board and added he was not quite sure why there was a reduction in the number of participants. BF presented slides of the results. The results are available here: <https://www.ofgem.gov.uk/publications/code-administrators-performance-survey-findings-2021>

Commentary on key areas is given below:

PG explained there is a perceived issue around support from the Joint Office. To address this the Joint Office will be holding virtual and in person customer days.

It appears that sometimes people find it difficult to interpret information in emails. The Joint Office provides a service to send out information for Transporters. In these cases, the Joint Office will ask the requestor to clarify whether email is for information or action and this will be reflected in the text from the requestor.

Some report that information on the Joint Office website is difficult to understand. The Joint Office will be inviting stakeholders to participate in focus group on how to refresh the website.

GD questioned whether people were frustrated with Code or the website. WG noted there may be a difference between someone who frequently uses the website and someone who is new. Maybe a handy guide to using the website could be drawn up. SM suggested a review of the REC website as it was extremely easy to use.

BF and PG presented an action plan:

- 1) Establish a participant focus group to review the website content and structure. Information on the website needs to be easy to find and understand.
- 2) Review email content both the Joint Office and those sent for others. Emails need to be clear what action needs to be taken or potential impacts.
- 3) Content of meeting papers to be reviewed to make sure it is clear what the intention is or relevance to the meeting.
- 4) Establish regular surveys with Workgroup meeting participants to seek views on the quality meeting papers and supporting emails.
- 5) Contact other Code Administrators to identify best practice for supporting the Modification process and proposers.
- 6) Seek views on how survey participation can be improved.

Panel Members agreed with this way forward.

### **c) Website Update**

BF noted that further to the above topic, the Joint Office had received some additional views on possible improvements. Areas for action appear to be:

- The annual survey highlighted improvements required
- Search functionality is limited
- Meeting documents are difficult to find
- Network Code documents are difficult to identify
- What to do with historical documents

The Joint Office is proposing to establish a focus group to consider:

- How to declutter the website
- How to prioritise searches
- How to manage meeting information
- Establishing an archive

Panel Members agreed with this way forward. SM appreciated the improvements but asked whether a full overhaul would be better. PG acknowledged this and said the priority is to make it better now with a more detailed overhaul in the future. BF will be leading on the project.

**d) Governance Processes**

SH asked if Panel Members would consider three areas of potential improvement for Panel Meetings:

- Agenda awareness.
- Short notice consideration of Modifications.
- Lack of detailed input in Workgroup Reports.

1) **Agenda awareness.** Where an extremely busy Panel agenda appears to be forming, Panel could consider whether an item must be considered at that meeting.

PG noted that the UNC does not allow for Panel to prioritise one Modification over another. A Proposer can suggest a timetable and Panel can either agree or direct a better timetable. The Joint Office will continue to advise Proposers around the appropriate timetable for each Modification through the Critical Friend process prior to it being raised. Joint Office will also bring data to show forecasts of how the agendas are looking going forward with the caveat, however, that the further out a forecast goes, the less accurate it is. GD noted also that there are restrictions on the activities a Code Administrator can do in comparison with a Code Manager. SH further asked whether there are other practical things that can be done to ensure better scrutiny of each item?

2) **Short notice consideration of Modifications.** Panel accepts consideration of Final Modification Reports (FMRs) at short notice, seemingly by default. Sometimes Panel Members have 2-3 days to read FMRs before Panel. This could be addressed by not allowing short notice consideration of FMRs except where this is properly considered to be necessary.

GD reiterated that Panel and the Joint Office are not able to affect timeline of Modifications. SM noted that Panel can choose not to accept FMRs short notice and can also choose at the beginning of the process not to accept any new non-Urgent Modifications for short notice consideration at Panel, though this is a much less frequently occurring problem. Panel Members discussed the potential for Panel meetings to be more frequent and noted that the number of meetings which occur monthly and feed into Panel which makes this a difficult prospect to organise. It is also worth noting what proportion of Modifications come through which Workgroup.

<p>New Action PAN 03/02:</p>	<p>Liaise with SH (Citizen's advice) to consider potential processes to address issues around short notice consideration of Modifications (FMRs).</p>	<p>Joint Office (KE)</p>
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3) **Lack of detailed input in Workgroup Reports.** Lot of Workgroups have a number of attendees, but very little detail of the discussion is contained in Workgroup reports. A lack of commentary on Relevant Objectives is especially concerning. How can Panel address this?

PG noted that some Workgroups have plenty to say about certain Modifications but have much less to say about others, depending on the level of interest. SM suggested the Workgroup Chair needs to ask specific questions. He requested a Chair's update before Workgroup meetings to highlight what meetings will cover – like the pre meeting brief which is issued ahead of Panel. DL stated that it is very easy for people to attend Workgroups without getting involved in discussion. This may be a feature of online meetings. A return to face-to-face meetings may improve this. RF asked for the chair to make more notes in the Workgroup Report to reflect meeting dynamics.

**e) IGT Modification update relating to UNC Modification 0800**

An update was given to UNC Governance Workgroup. Two IGT colleagues have worked through the requirements in the context of the IGT UNC, ensuring that the Modifications remained 'married'. The IGT UNC Modification equivalent to UNC 0800 (IGT160 – *Introducing the concept of a derogation into the IGT UNC for innovation projects*) was updated, the legal drafting was updated, and it was all presented, discussed and the Workgroup Report was completed at the IGT Workgroup (10 March 2022). This will be presented to the IGT UNC Panel next week (w/c 21 March 2022) and is expected to be sent out to consultation. Thus, the UNC and IGT UNC modifications and their timetables remain in sync.

**f) Change of National Grid representative**

Joshua Bates will be replacing Darren Lond as the National Grid's UNC Panel representative. WG noted that for transition purposes Joshua is welcome to attend as an observer as required.

**288.15 Date of Next Meeting(s)**

09:00, Thursday 21 April 2022, by teleconference – Please note change of meeting start time to accommodate sizable agenda.

**Action Table (17 March 2022)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>	<b>Date of Expected update</b>
<b>PAN 02/01</b>	20/02/22	287.8 c)	National Grid NTS and CDSP (ER) to provide an update on Gemini system updates at the April 2022 Panel Meeting.	Xoserve (ER) and National Grid	<b>Pending</b>	21 April 2022
<b>PAN 02/02</b>	20/02/22	287.9 d)	To review the Cross-Code impacts of Modification 0802 and report back to the next Governance Workgroup.	IGT Panel Representative (HW) and IGT Representative (TL)	<b>Closed</b>	17 March 2022
<b>PAN 03/01</b>	17/03/22	288.12 b)	Liaise with SH (Citizen's advice) to consider actions to improve reporting and Workgroup engagement	Joint Office (KE)	<b>Pending</b>	21 April 2022
<b>PAN 03/02</b>	17/03/22	288.14 d)	Liaise with SH (Citizen's advice) to consider potential processes to address issues around short notice consideration of Modifications (FMRs).	Joint Office (KE)	<b>Pending</b>	21 April 2022