UNC Modification Panel Minutes of Meeting 292 held on Thursday 21 July 2022 via Teleconference

Attendees					
Voting Members:					
Shipper Representatives	Transporter Representatives		Consumer Representatives		
D Fittock (DF), Corona Energy	A Clasper (AC), Alternate for G Dosanjh, Cadent		E Proffitt (EP), MEUC S Hughes (SH), Citizens		
M Bellman (MB), ScottishPower	A Travell (AT), BU D Mitchell (DMi), S		Advice		
O Chapman (OC), Centrica	J Bates (JB), National Grid				
R Fairholme (RF), Uniper S Mulinganie (SM), Gazprom Energy	R Pomroy (RP), Wales & West Utilities T Saunders (TS), Northern				
Non-Voting Members:	Gas Networks				
Chairperson	Ofgem Representative		Independent Supplier Representative		
W Goldwag (WG)	J Semple (JS)		(None)		
Also, in Attendance:					
E Rogers (ER), Xoser Representative	ve - CDSP J N Offi		, SGN K Elleman (KE), Joint		
G Dickson (GD), Ofgem		P Garner (PG), Joint Office			
H Bennett (HB), Joint Office		R Hailes (RH), Joint Office			
H Brazier (HBr), Ofgem		S Britton (SB), Cornwall Insight			
Ti biazici (Hbi), Oigein					

Record of Discussions

292.1. Introduction

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

292.2. Note of any alternates attending the meeting

A Clasper on behalf of G Dosanjh, Cadent

O Chapman on behalf of D Morley, Ovo Energy

292.3. Record of apologies for absence

D Morley, Ovo Energy

G Dosanjh, Cadent

A Jackson, Gemserv

T Lattimore, Gemserv

292.4. Minutes of the last meetings 16 June 2022

K Elleman (KE) advised of a requested change to the June minutes from Ofgem, these were presented on screen. T Saunders (TS) also wished to check the accuracy of the voting record in relation to the informal vote taken. KE confirmed that the voting record had been checked, updated, and republished. Panel Members then approved the minutes from 16 June 2022.

D Mitchell (DMi) suggested Panel consider recording future minutes, deleting the recording when minutes are finalised. B Fletcher (BF) explained as voice recordings are covered by GDPR, the Joint Office would need to have individual consent from each member for this to be feasible. BF suggested that the Joint Office would need to consider the technical requirements and adjusting the Modification rules. R Hailes (RH) confirmed that JGAC are expecting to consider the ability to record meetings and hoped to provide Panel with an update following the next JGAC meeting.

New Action PAN07/01: JGAC to consider the recording of Panel meetings.

292.5. Review of Outstanding Action(s)

PAN 05/01: National Grid (DL) to provide regular (quarterly) updates to the UNC Modification Panel on the Apollo system developments.

Update: J Bates (JB) confirmed a recent decision had been made to close further development of Apollo, consequently Modification 0801 - Removal of capacity and balancing services from the role of CDSP, had been withdrawn. JB explained the reason behind the decision having reached the procurement final stages, and the tender process ascertaining it would not be cost effective or advantageous to replace the system compared to enhancing the Gemini Service. JB reported that there will be significant enhancements made to Gemini over the next couple of years, with industry engagement, details of which will be released in due course. **Closed.**

PAN 05/02: Joint Office (PG) to organise a meeting with Ofgem to remove Modifications that are no longer relevant with a view to see whether they can be rejected or sent back to be withdrawn by the Proposer.

Update: K Elleman (KE) requested that this action is carried forward. **Carried Forward.**

PAN 06/02: Joint Office (RH) to liaise with REC and invite them to attend the Workgroups to discuss and develop Modification 0799 and Joint Office to raise this at CACoP for visibility amongst other Codes.

Update: R Hailes (RH) confirmed REC had been invited to the recent 0799 Workgroup meeting which was well attended. **Closed.**

292.6. Consider Urgent Modifications

a) None.

292.7. Consider Variation Request

a) None.

292.8. Final Modification Reports

a) Modification 0799 - UNC arrangements for the H100 Fife project (100% hydrogen)

Panel Discussion: see documents published at: https://www.gasgovernance.co.uk/0799

W Goldwag (WG) provided a brief background to the status of the Modification.

Further to Action PAN06/02 update R Hailes (RH) reiterated that the June Workgroup Meeting was well attended with over 35 attendees including Shippers, Transporters, Suppliers, REC, Ofgem, Xoserve and Citizens Advice, which enabled detailed discussion. Following further consideration by the Workgroup RH confirmed the Final Modification Report containing the Workgroup's Supplemental Report had been concluded as the Workgroup believed there was no further assessment the Workgroup could assist with. M Bellman (MB) noted the variety of attendees, which he found reassuring.

RH noted the two key conclusions for Ofgem to consider a Request for Information, from Suppliers to allow a financial impact assessment and further consideration on the distribution of costs. Panel Members agreed with the Workgroup participants that Ofgem could seek cost impacts from Shippers/Suppliers on a confidential basis.

Panel Members agreed with Workgroup participants of the need to evaluate the costs of changes to systems and processes.

D Fittock (DF) asked about the material impact of competition and if there would be a potential detrimental effect for customers within the trial and reluctance of Suppliers to take on customers. S Mulinganie (SM) confirmed that the Modification's strategy is to allow customers to move between suppliers. DMi confirmed there is no detrimental effect on the impact of competition.

S Hughes (SM) commented on the potential competition issues and whether Suppliers would deem the customer an attractive customer to have; it was not clear what protection there would be for customers and what the Supplier obligations were if a customer is seen to be unattractive.

A Travell (AT) wished to note that the issues surrounding competition should have been considered as part of the project development prior to the Modification being raised, rather than the Workgroup having to assess elements around ensuring competition.

J Semple (JS), wished to note that Ofgem are aware that there may be some costs involved in Supplier system development, but have not received details of what the costs are.

RH summarised the determinations made at the June 2022 UNC Modification Panel. Panel Members considered the previous assessment of the Relevant Objectives and whether additional comments needed to be recorded.

MB challenged the positive assessment for the efficient and economic operation of the pipeline system, disagreeing the Modification facilitated this, wishing to understand the rationale. S Mulinganie (SM) suggested parties should provide a counterview rather than simply disagreeing. MB believed the establishment of a parallel Hydrogen pipeline is not de facto evidence of greater efficiency.

The Panel Members considered the future of the gas industry and the future use of Methane, J Bates (JB) believed the Panel should avoid blocking innovation in the market.

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

Modification 0799 recommended for implementation, by unanimous vote (14 out of 14).

b) 0810S - Amendment of Transportation Principal Document Section V 14.1.1 and Annex-V5 to reflect updated Theft of Gas Process

Panel Discussion: see the Final Modification Report published at: https://www.gasgovernance.co.uk/0810

R Hailes (RH) provided an overview of the Modification and advised of the two representations received, implementation was unanimously supported.

RH asked SGN to confirm that the provided Legal Text will work in conjunction with Modification 0734S. DMi confirmed the text provided will work. Panel Members agreed with respondents and the Proposer that this Modification would ensure that redundant reporting is removed from the UNC as intended under Modification 0734S.

RH noted that Implementation must align with Modification 0734S (effective implementation date TBC) to ensure the legacy theft reporting; "Shipper TOG Report" is removed when the new theft process is in place.

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 0810S still meets the Self-Governance Criteria, by unanimous vote (14 out of 14).
- Modification 0810S is not related to the Significant Code Review, by unanimous vote (14 out of 14).
- Modification 0810S has no Cross Code impacts, by unanimous vote (14 out of 14).
- Modification 0810S to be implemented, by unanimous vote (14 out of 14).

292.9. Consider New, Non-Urgent Modifications

a) 0811 - Shipper Agreed Reads (SAR) exceptions process

S Mulinganie (SM) introduced the Modification explaining it seeks to provide a remedy for SARs that have failed to be progressed within a reasonable period, to be proactively managed by the Central Data Services Provider (CDSP). This will be an exceptions process to draw to an effective resolution.

Panel Members considered the proposed timetable and agreed with the Proposer that this is a straightforward Modification and should be able to present a report at the 20 October 2022 Panel.

Whilst Panel Members considered if the Modification would have any cross code impacts A Travell (AT) noted there could be some cross code impacts. K Elleman (KE), referring to T Lattimore's note, confirmed that there is no IGT impact at the moment but only if IGTs don't want a different process. If IGTs wanted a differing process there could be an impact, however this would be minimal and would require an IGT Modification.

For Modification 0811 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 0811 is issued to Workgroup with a report to be presented by the 20 October 2022 Panel, by unanimous vote (14 out of 14).

b) 0812R - Review of Alternatives to "Must Read" Arrangements

R Pomroy (RP) introduced this Request explaining it seeks to review the options should a Shipper breach it's meter reading obligations and alternatives to the current must read service provided by Transporters. RP explained the drivers behind the Request noting that PAC is responsible for settlement accuracy and that Transporters are no longer providing meter reading services, therefore there is a need to consider arrangements should a Shipper not submit a meter read.

RP explained that if a Shipper does not provide a read, as obligated in the UNC TPD Section M, the Transporters pick up the consequence of the breach and have the discretion to take a meter read. This is an exceptions process which RP believed was no longer tenable.

RP suggested as meter readings are important to PAC and settlement accuracy, PAFA and PAC members should be encouraged to engage with the review to assess if the solution can be managed through PAC escalation or a have a prescriptive process.

E Proffitt (EP) challenged if the Shipper does not provide a meter read, and the Transporter is not going pick this up, who does? RP suggested as the obligation is on the Shippers and the lack of meter reads leads to settlement issues, there are various options.

S Mulinganie (SM) suggested the review may need to include REC within the engagement process.

R Hailes (RH) asked if Xoserve would need to consider the costs of involving PAFA as this may reside outside the existing contract arrangements. E Rogers (ER) reminded Panel that PAFA's role is to monitor and assist addressing performance issues. ER confirmed a request for PAFA to attend industry development meetings to represent PAC is not part of the core PAFA service. ER encouraged PAC and CDSP involvement.

M Bellman (MB) referred to the IGT model/process and if the Workgroup should consider the IGT arrangements. ER confirmed IGT159 – Amendment to the Must-Read Process had been raised in relation to meter reads.

E Proffitt (EP) enquired about the need for meter inspections. RP explained the current process and that safety inspections are the responsibility of Suppliers and therefore, did not intend to expand the scope of the review to include safety inspections. It was agreed safety inspections would be out of scope.

SM suggested the impact on Supplier Energy Code should be considered.

Panel Members considered the proposed timetable and agreed that this Request should be able to present a report at the 20 April 2023 Panel.

Panel Questions:

Q1 – Relevance of Modification to IGTs and how the IGT read process operates

For Request 0812R 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 Cross-Code impacts, by unanimous vote (14 out of 14).
- Modification 0812R is issued to Workgroup with a report to be presented by the 20 April 2023 Panel, by unanimous vote (14 out of 14).

c) 0813 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers

J Bates (JB) introduced this Modification explaining it seeks to extend availability of 'Virtual Last Resort User' and 'Contingent Procurement of Supplier Demand' provisions, currently only available as a consequence of User Termination, where in exceptional circumstances National Grid NTS issues a User Premises Termination Notice. The availability of these two mechanisms in such an event will facilitate the maintenance, ongoing integrity and continued effective operation of the commercial Energy Balancing and Transportation arrangements in the immediate/short term until an alternative User Registration is in place for the relevant Supply Meter Points.

JB explained there is a gap in the arrangements, if Shippers are subject to sanctions, they remain party to the UNC, but can't move cash through the business, therefore cannot enact the two available processes as when there are extraordinary circumstances there is no mechanism to do so.

S Hughes (SM) enquired about the exclusion of parties from the UNC. JB's initial view was that parties will remain a party of the UNC, with sanctions in place, to ensure customers continue to have access to gas. RP suggested the Modification assessment should consider the sanctions.

S Mulinganie (SM) enquired about the security of supply and if this aligns with the security of supply issues. JB explained when sanctions apply there is a solution that addresses the security of supply, clarifying this Modification is about an enduring piece of work to put in place a process to ensure there is no immediate risk to the security of supply.

Panel Members considered the proposed timetable and agreed with the Proposer that this Modification should be able to present a report at the 19 January 2023 Panel.

Panel Members discussed if there were any Cross-Code impacts. T Lattimore had provided a view that there could be IGT impacts arising from this Modification and it would be monitored.

SH asked Workgroup to review whether the Self-Governance criteria was being met. K Elleman (KE) explained that the Workgroup would review this under the usual Workgroup Terms of Reference and that there was no need to add an additional question. SH accepted this.

For Modification 0813 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 Cross-Code impacts, by unanimous vote (14 out of 14).
- The criteria for Self-Governance 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).
- Modification 0813 is issued to Workgroup with a report to be presented by the 19 January 2023 Panel, by unanimous vote (14 out of 14).

292.10. Existing Modifications for Reconsiderations

The 5 Modifications Awaiting Ofgem Decision are available at: https://www.gasgovernance.co.uk/withofgem

J Semple (JS) referred to the publication provided by Ofgem updating the following estimated decision date for UNC 0674V. For the Ofgem timetable please refer to: https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable.

Modification	Estimated Decision Date
0779/A - Introduction of Entry Capacity Assignments	23 December 2022
0761 - Arrangements for Interconnectors with additional Storage capability	30 September 2022
0746 - Application of Clarificatory change to the AQ amendment process within TPD G2.3 from 1st April 2020	TBC 2022
0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs	TBC 2022
0674V - Performance Assurance Techniques and Controls	29 July 2022

292.11. Workgroup Issues/Updates

a) None.

292.12. Workgroup Reports for Consideration

a) 0778R - Gas Vacant Sites Process review

R Hailes (RH) provided an overview of the Workgroup Report drawing attention to the conclusion to close the Workgroup. O Chapman (OC) confirmed a Modification will be raised following the review.

RP queried two areas of the report on pages 4 and 9 noting the Capacity and Commodity Charging Table focussed on Class 3 and 4. ER clarified there is a separate table for Classes 1 and 2, the Workgroup Report table focusses on Class 3 and 4, because Classes 1 and 2 are out of scope. RP suggested that the Request Workgroup should be clear on the exclusion of Classes 1 and 2.

Panel Members noted the Workgroup Report recommendation that that this Request Workgroup should be closed.

For Request 0778R, Members determined (14 Panel votes were available for the determinations):

Workgroup 0778R to be closed, by unanimous vote (14 out of 14).

b) 0805 - Introduction of Weekly NTS Exit Capacity Auctions

Panel Members noted the Workgroup Report recommendation that this Modification should be issued to Consultation.

Panel Members discussed whether the Final Modification Report (FMR) should be considered at the September Panel. It was noted that Short Notice was not included in the timetable and therefore, Panel decided to consider this Modification at the September Panel.

J Bates (JB) asked if there were any specific questions that the Consultation should focus on, around exclusions and due discrimination. It was agreed not to lead responses on these topics.

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

- Modification 0805 to be issued with a standard 15 day consultation, by unanimous vote (14 out of 14).
- Modification 0805 to be considered at the 15 September 2022 Panel, by unanimous vote (14 out of 14).

c) 0806 - Change to Curtailment Trade Price Compensation in Section Q

Panel Members noted the Workgroup Report recommendation that that this Modification should be issued to Consultation.

Panel Members discussed whether the FMR should be considered at the September Panel. It was noted that Short Notice was not included in the timetable and therefore, Panel decided to consider this Modification at the September Panel.

Panel Members considered whether specific questions were needed as part of the consultation. J Bates (JB) suggested drawing out the differences of a market solution. R Fairholme (RF) suggested there is a mutually exclusive difference between this solution and Demand Side Response (DSR), with different timings. DSR work focused on industrial customers rather than Gas fired generating plants (CCGTs).

SM noted the potential rise in involuntary interruption costs, acknowledging there may be a knock-on effect, nevertheless DSR is separate, and the industry can only consider what this Modification proposes. SM suggested a longer consultation period is provided for this Modification allowing further time to consider, as this would still allow the Panel to consider the FMR in September.

Panel agreed to the following Consultation Question:

Q1 – Do industry parties have any additional comments/views relating to the potential impacts on CCGT and/or other I&C customers in respect of this Modification Proposal?

For Modification 0806, Members determined (14 Panel votes were available for the determinations):

- Modification 0806 to be issued to consultation with a 20 day, by unanimous vote (14 out of 14).
- Modification 0806 to be considered at the 15 September 2022 Panel, by unanimous vote (14 out of 14).

d) 0809S - Distribution of Last Resort Supplier Payment (LRSP) claims to include IGT sites

Panel Members noted the Workgroup Report recommended that that this Modification should be issued to Consultation.

Panel Members discussed whether the Final Modification Report (FMR) should be considered at the September Panel. It was noted that Short Notice was not included in the timetable and therefore, Panel decided to consider this Modification at the September Panel.

For Modification 0809S, Members determined (14 Panel votes were available for the determinations):

- Modification 0809S to be issued to consultation with a standard 15 days, by unanimous vote (14 out of 14).
- Modification 0809S to be considered at the 15 September 2022 Panel, by unanimous vote (14 out of 14).

292.13. Modification Reporting

a) Legal Text Requests

DMi advised that more time was required to finalise Modification 0808 – Reverse Compression, solution to allow the Legal Text to be produced. Therefore, the UNC Modification Panel Members did not undertake a vote to request Legal Text Request for the following Modification:

Legal Text Requests for Modification – not to be requested

0808 - Reverse Compression

b) Workgroup Report Dates

Modification	Current Panel reporting date	Requested Panel reporting date	Reason for request to change Panel reporting date/Comments
0808 – Reverse Compression	18 Aug 2022	15 Sept 2022	1 month extension

292.14. Any Other Business

a) Derogation Process Update

Tracey Saunders (TS) confirmed that work has been undertaken with Xoserve to ensure the process is robust and easy to follow. Kate Elleman (KE) reported that all appropriate documents are in place and was confident the Joint Office would be able to manage the process. TS explained that an implementation date has not been set due to wanting to test the process.

R Pomroy (RP) noted that derogation is a relief against UNC obligations and wanted clarification that the derogation application would not apply to the downstream parties. TS explained that if a DN applies for a derogation it will apply to all impacted associated downstream parties. However, RP challenged that as the derogation is a relief from obligations the derogation can only apply to the applying party.

TS confirmed this would need to be tested.

b) Modification 0701 - Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs - Ofgem Decision making timescales

Tracey Saunders (TS) wished to note that the decision to implement this Modification took place over a year ago, and the implementation date is still to be confirmed. TS explained the changes required related to the CSS system build, and it was agreed, in order to save costs, this would be a post CSS implementation. TS confirmed that the Implementation date is expected mid next year.

c) Representative Appointment Process Update

H Bennett (HB) presented slides with an update on the User Representative Appointment Process. Please find the slides published on the Panel meeting page.

HB summarised the number of vacant positions on all committees as follows:

Sub-Committee	Number of Representatives Required	Nominations received (so far)
Demand Estimation	5 Shipper	4 Nominations 1 Vacancy
Energy Balancing	9 Shipper	5 Nominations 4 Vacancies
Performance Assurance	9 Shipper	7 Nominations 2 Vacancies
DSC Change	6 Shipper	 Nomination Shipper Class A 1 Vacancy Nominations Shipper Class B 0 Vacancy Nominations Shipper Class C 2 Vacancies
DSC Contract	6 Shipper	 Nomination Shipper Class A 1 Vacancy Nomination Shipper Class B 1 Vacancy Nominations Shipper Class C 2 Vacancies
DSC Credit		4 Nominations Shipper 2 Vacancies

HB confirmed that further nominations had been requested for DESC, EBCC and PAC, and explained the redistribution of votes for DSC Committees, confirming that the DSC Contract Managers will be contacted to encourage support for the Committee meetings.

HB noted 70% of Shippers provided a Single Point of Contact (SPoC) for the Appointment Process.

S Mulinganie (SM) confirmed there is an immediate issue with the DSC Committees and their ability to operate due to the current quoracy rules. SM confirmed a Modification is being considered to amend the quoracy requirements for the DSC Committees to enable these to continue to function.

O Chapman (OC) expressed that there is a need for more representation, as it was not appropriate for 1 or 2 Shippers to represent the whole industry.

S Hughes (SH) enquired about the single points of contact, P Garner (PG) confirmed that the 70% SPoC registration was related to the User Appointment Process and that the Joint Office have an extensive distribution list for all Shippers.

d) Switching SCR - Go Live Update

E Rogers (ER) provided an overview of the Faster Switching Significant Code Review – Central Switching Service (CSS) go live (REC Version 3) which was implemented on Monday 18 July 2022.

ER provided a reminder of the high-level functional changes including data access and documentation.

Noting the extent of the changes, ER highlighted the following 3 issues:

- There were some unplanned delays with certain files, as a result there had been 7 different file times impacted, all but one being released 21 July 2022.
- Some access issue affecting Master Admin Users (MAU).
- Some General Enquiry Service (GES) online users had access difficulties (responsibility of REC).

A Travell (AT) also noted there was some lessons learnt from the testing of GES.

R Pomroy (RP) enquired what was the current status of the Switching SCR as he was not aware of any communication and as this impacts Panel considerations RP asked for confirmation the SCR would be closed. P Garner (PG) requested Ofgem clarify the communication process for closing the SCR.

e) Energy Security Bill

J Spender (JS) confirmed that the Energy Security Bill had now entered parliament.

A Travell (AT) enquired about BEIS and Ofgem communication - introductory letter. P Garner (PG) believed an open letter was expected towards the end of Summer.

292.15. Date of Next Meeting(s):

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Time / Date	New Mod Deadline	Venue
10:00 Thursday 18 August 2022	5pm Friday 05 August 2022	Microsoft Teams
10:00 Thursday 15 September 2022	5pm Friday 02 September 2022	Microsoft Teams
10:00 Thursday 20 October 2022	5pm Friday 07 October 2022	Microsoft Teams
10:00 Thursday 17 November 2022	5pm Friday 04 November 2022	Microsoft Teams
10:00 Thursday 15 December 2022	5pm Friday 02 December 2022	Microsoft Teams

Action Table (21 July 2022)						
Action Ref	Meeting Date	Minute Action C		Owner	Status Update	Date of Expected update
PAN 05/01	19/05/22	290.5	National Grid (DL) to provide regular (quarterly) updates to the UNC Modification Panel on the Apollo system developments.	National Grid (JB)	Closed	21 July 2022
PAN 05/02	19/05/22	290.10	Joint Office (PG) to organise a meeting with Ofgem to remove Modifications that are no longer relevant with a view to see whether they can be rejected or sent back to be withdrawn by the Proposer.	Joint Office (PG)	Carried Forward	21 July 2022
PAN 06/01	16/06/22	291.8 c)	Joint Office (RH) to liaise with REC and invite them to attend the Workgroups to discuss and develop Modification 0799 and Joint Office to raise this at CACoP for visibility amongst other Codes.	Joint Office (RH)	Closed	21 July 2022
PAN 07/01	21/0722	292.4	JGAC to consider the recording of Panel meetings.	JGAC (All)	Pending	18 August 2022