

UNC Modification Panel

Minutes of Meeting 302 held on

Thursday 15 December 2022

Via teleconference

Attendees		
Voting Panel Members:		
Shipper Representatives	Transporter Representatives	Consumer Representatives
<p>O Chapman (OC), Centrica and on behalf of D Morley (DM)</p> <p>R Fairholme (RF), Uniper</p> <p>S Mulinganie (SM), SEFE Energy and on behalf of D Fittock (DF)</p>	<p>A Travell (AT), BUUK</p> <p>D Mitchell (DMi), SGN</p> <p>G Dosanjh (GD), Cadent</p> <p>C Williams (CW), for J Bates (JB), National Grid NTS</p> <p>R Pomroy (RP), Wales & West Utilities</p> <p>T Saunders (TS), Northern Gas Networks</p>	<p>E Proffitt (EP), Major Energy User's Council</p> <p>A Manning (AM), for S Hughes (SM), Citizens Advice</p>
Non-Voting Panel Members:		
Chairperson	Ofgem Representative	Independent Supplier Representative
W Goldwag (WG), Chair	J Semple (JS)	(None)
<p>Also, in Attendance:</p> <p>C Sykes (CS), Shell Energy; E Rogers (ER), Xoserve - CDSP Representative; H Cuin (HCu), Joint Office; L Jauss (LJ), RWE; K Elleman (KE), Joint Office; P Garner (PG), Joint Office; R Hailes (RH), Joint Office.</p>		
<p>Copies of all papers are available at https://www.gasgovernance.co.uk/Panel/151222</p>		

Record of Discussions

302.1. Introductions

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

G Dosanjh (GD), noting that Cadent operates the National Gas Emergency Service (0800 111 999) on behalf of all the Networks for customers reporting a gas leak or smell of gas, wished to note that there has been a significant increase in calls.

Cadent have observed that calls are being misdirected to the emergency number. Examples included calls relating to faulty boilers or frozen condensate pipes. Cadent have planned for an increase in call volumes and have resourced accordingly. However, to ensure there is no undue stress on the emergency service, Cadent wished to remind parties that customers should only be directed to the National Gas Emergency Service in the event of a gas emergency. More information on what to do in the event of a gas emergency is available on the Cadent website (<https://cadentgas.com/emergencies/smell-gas>).

GD advised that a bulletin will be issued asking parties not to misdirect customers and to remind Suppliers to resource call centres accordingly to ensure customers are supported especially in the cold snap.

302.2. Note of any alternates attending the meeting

C Williams (CW) on behalf of J Bates (JB)
O Chapman (OC) on behalf of D Morley (DM)
S Mulinganie (SM) on behalf of D Fittock (DF)
A Manning (AM) on behalf of S Hughes (SH)

302.3. Record of apologies for absence

D Morley (DM), Ovo Energy
D Fittock (DF), Corona Energy
J Bates (JB), National Grid NTS
T Lattimore (TL), Gemserv
S Hughes (SH), Citizens Advice

302.4. Minutes of the last meetings 17 November 2022 and 07 December 2022.

Following a review of submitted changes to the 17 November 2022 minutes Panel Members approved the minutes from 17 November and 07 December Panel meetings.

R Pomroy (RP) also wished to note, that with regards to the Ofgem moratorium, that there is a statutory obligation on Ofgem and that Ofgem will publish documentation if necessary.

302.5. Review of Outstanding Action(s)

PAN 07/01: JGAC to consider the recording of Panel meetings.

Update: K Elleman (KE) advised that JGAC are currently not supportive of recording meetings for a number of data privacy points, alongside some individuals not being comfortable with being recorded. RP added that a UNC Modification would be required to the Modification Rules to give legitimate reasons for recording meetings. RP also wished to note that concerns had been raised about the potential hindering of discussions. **Closed.**

a) Ofgem Guidance on Code Modification Urgency Criteria

On behalf of D Fittock (DF), S Mulinganie (SM) wished to raise a concern about the use of the Urgency Criteria and challenge if the approach is working as effectively as it could.

It was noted that the perceived need for urgency for issues which are important for a company or omissions/inaccuracies in a Modification may not always satisfy the Ofgem urgency criteria (<https://www.ofgem.gov.uk/publications/ofgem-guidance-code-modification-urgency-criteria-0>)

SM advised a request for data had been submitted to better understand the number of Urgent Modifications raised in the last 2 years and the time spent on such Modifications. It was also noted that parties may act in opposition to advice given by the Joint Office, and some changes may be driven by Ofgem such as DSR.

It was agreed to consider what information could be provided on Urgent Modifications.

302.6. Consider Urgent Modifications – Workgroup referral

- a) None.

302.7. Consider Variation Requests

- a) None.

302.8. Final Modification Reports

- b) **Modification 0826S - Amendment to Network Entry Provision at Shell St Fergus Terminal**

RH presented the Final Modification Report (FMR). Please refer to the Panel Discussion with the published FMR at: <https://www.gasgovernance.co.uk/0826>.

RH summarised that Modification 0826S would enable the current Wobbe Index upper limit that applies between National Grid and Shell at St Fergus to be temporarily increased from 51.2 MJ/m³ to 51.4 MJ/m³.

Panel Members considered the representations made noting that implementation was unanimously supported in the 3 representations received.

Panel Members agreed that this enabling Modification will facilitate a temporary amendment to the Wobbe Index (WI) upper limit within the Network Entry Provisions between Shell and National Grid at St Fergus for a 12-month period to enable St Fergus to prove continued operation within this limit.

Panel Members considered relevant objective a) *Efficient and economic operation of the pipe-line system.*, agreeing that implementation would have a positive impact because it would facilitate increased energy to be processed through the existing network infrastructure than would otherwise be the case.

Panel Members considered relevant objective d) *Securing of effective competition between Shippers and/or Suppliers*, agreeing that implementation would have a positive impact because it will facilitate a level playing field as all would be operating in line with the GS(M)R legislation ≤51.41 MJ/m³.

A Manning (AM) enquired how the 12-month limit will work and where this will reside in terms of documentation. RH confirmed this will be reflected in the Network Entry agreement, there will be no change to the UNC for the bi-lateral agreement.

For Modification 0826S, Members determined (with 13 Panel votes available):

- No new issues were identified during consultation, by unanimous vote (13 out of 13).

- The Modification had no Cross Code impacts, by unanimous vote (13 out of 13).
- Panel Members voted unanimously to implement Modification 0826S

c) Modification 0830S – Obligation for Shipper to pay CDSP for Class 1 read service

RH presented the FMR. Please refer to the Panel Discussion with the published FMR at: <https://www.gasgovernance.co.uk/0830>.

RH summarised that Modification 0830S would amend the text for Modification 0710S - CDSP provision of Class 1 read service due to be implemented on 01 April 2023, to add an obligation for Shippers to pay the CDSP for the service.

Panel Members considered the representations made noting that implementation was unanimously supported in the three representations received.

Panel Members agreed that this Modification would ensure the CDSP can charge Shippers for the Class 1 read service, and that the effective implementation date should align with Modification 0710S.

Panel Members considered relevant objective f) Promotion of efficiency in the implementation and administration of the Code, agreeing that implementation would have a positive impact because it adds clarity to Code, in regard to the payment expectation for the Class 1 Read Service.

For Modification 0830S, Members determined (with 13 Panel votes available):

- No new issues were identified during consultation, by unanimous vote (13 out of 13).
- The Modification had no Cross Code impacts, by unanimous vote (13 out of 13).
- Panel Members voted unanimously to implement Modification 0830S

302.9. Consider New, Non-Urgent Modifications

a) None.

302.10. Existing Modifications for Reconsiderations

The following update was provided to the estimated decision dates timetable published at <https://www.ofgem.gov.uk/publications/code-modificationmodification-proposals-ofgem-decision-expected-publication-dates-timetable>:

Modification	Estimated Decision Date
0805 - Introduction of Weekly NTS Exit Capacity Auctions	30 January 2023
0761 - Arrangements for Interconnectors with additional Storage capability	28 April 2023
0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs	TBC

T Saunders (TS) thanked Ofgem for returning their decision on Modification 0809 - 0809 - Distribution of Last Resort Supplier Payment (LRSP) claims to include IGT sites.

W Goldwag (WG), also wished to note the Energy Code Governance Reform call for input which had been published on the Ofgem website (<https://www.ofgem.gov.uk/publications/energy-code-governance-reform>), seeking views from all interested stakeholders by 01 February 2023.

302.11. Workgroup Issues/Updates

a) Request 0828R – Introduction of an Independent Shrinkage Expert

RH reported that a Request had been submitted to replace the original Modification and the first meeting had been held on 02 December 2022. Further meetings have been planned for 24 January, 21 February and 21 March 2023. The Workgroup Report is expected June 2023.

RH explained the purpose of a Request Workgroup.

SM enquired if Ofgem had provided a view/steer on the dual governance and current licence obligations which may impede development, stressing the need for a clear view from Ofgem on the current licence provisions.

J Semple (JS) explained that Ofgem do not have the resources to join this Workgroup, clarifying that Ofgem continues to review and prioritise work, including the context of the current winter gas crisis. JS welcomed the industry considering whether improvements can be made to current arrangements and identifying what these improvements may be. Although Ofgem do not expect to attend meetings, its progress will be followed. It was noted that Ofgem expect the Proposer to include within the review the relevant licence implications.

SM was disappointed that Ofgem was unable to allocate a resource to the review or provide a view on dual governance.

Panel considered with the current winter crisis whether to delay consideration of the Request. Noting that the proposer, not present, did not want to delay progression of the review it was agreed development should continue.

0828R Dual Governance – Authority View

Further to discussing item 302.11 (a) S Mulinganie (SM) wished for Panel to consider, whether to request a view from the Authority, on the implications on current arrangements and dual governance in relation to Request 0828R.

New Action 1201: Joint Office (RH) to request a view from Ofgem on dual governance in relation to Request 0828R - Introduction of an Independent Shrinkage Expert.

302.12. Workgroup Reports for Consideration

a) Modification 0811S - Shipper Agreed Read (SAR) exceptions process

RH introduced the Modification. Panel Members noted the Workgroup Report recommendation, that this Self-Governance Modification should proceed to Consultation, with Panel Members agreeing to consider the Workgroup Report at short notice. There were no additional Panel Questions.

For Modification 0811S, Members determined (with 13 Panel votes available):

- The Modification should be issued with a standard 15-day consultation, and considered at the 19 January 2023 Panel, at short notice, by unanimous vote (13 out of 13).

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

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

For Modification 0813, Members determined (with 13 Panel votes available):

- The Modification should be issued with a 20-day consultation, and considered at the 16 February 2023 Panel, by unanimous vote (13 out of 13).

c) Modification 0823S - Shipper Agreed Read (SAR) exceptions process

RH introduced the Modification highlighting a challenge on whether this Modification remains suitable for Self-Governance. Panel Members considered whether this Modification should continue as a Self-Governance Modification or Authority Decision. It was noted that the Workgroup did not come to a consensus view. It was suggested that the status should be changed if there is a level of ambiguity.

J Semple (JS) believed the Modification should not be treated as Self-Governance as there could be an impact of £1.62m, which is not negligible. It was suggested that this Modification does not correct an error, it offers a different solution and should therefore be considered a material change.

TS wished for Ofgem to clarify that they are asking Panel to vote on the Self-Governance status or calling the Modification in for an Authority direction. JS clarified that Ofgem are not issuing an instruction but wish for Panel to decide on the appropriate Governance route.

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

Additional Panel Questions:

- Q1. Does this Modification meet the Self Governance criteria?
- Q2. Do you have any views regarding risk of bypass?
- Q3. Do you have views regarding the analysis provided?

It was noted that Confidential responses can be sent directly to Ofgem.

For Modification 0823S, Members determined (with 13 Panel votes available):

- The criteria for Self-Governance is not met, as this Modification is likely to have a material impact, by unanimous vote (13 out of 13).
- The Modification should be issued with a 20-day consultation, and considered at the 16 February 2023 Panel, by unanimous vote (13 out of 13).

d) Modification 0827S - Amending the Unsecured Credit Table in TPD V3 to reflect the removal of Graydons and insertion of Creditsafe

RH introduced the Modification. Panel Members noted the Workgroup Report recommendation, that this Self-Governance Modification should proceed to Consultation, with Panel Members agreeing to consider the Workgroup Report at short notice. There were no additional Panel Questions.

For Modification 0827S, Members determined (with 13 Panel votes available):

- The Modification should be issued with a standard 15-day consultation, and considered at the 19 January 2023 Panel, at short notice, by unanimous vote (13 out of 13).
- Deemed Legal Text Request accepted.

302.13. Modification Reporting

Workgroup Extension Requests

Modification	Current reporting date	Requested Panel reporting date	Reason for request to change Panel reporting date/Comments
0808 – Reverse Compression	January 2023	April 2023	3-month extension
0816S - Update to AQ Correction Processes	January 2023	February 2023	1-month extension

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):

Legal Text Requests for Modifications	Accepted
0816S - Update to AQ Correction Processes	No
0818 - Releasing of unused capacity under a specific set of circumstances	Yes
0827S - Amending the Unsecured Credit Table in TPD V3 to reflect the removal of Graydons and insertion of Creditsafe (deemed)	Yes

302.14. AOB

a) Cross Code Steering Group Representation

Panel considered the appropriate representation for the Cross Code Steering Group (CCSG) and whether this ought to be a representative from the Joint Office or R Pomroy (RP) who had volunteered to be the UNC representative.

The logic of having a Transporter Representative was considered due to the Transporters having the UNC Code obligation. It was noted that RP was a member of JGAC and of the UNC Modification Panel.

A Travell (AT), recognising the difference between Code Managers and Code Administrators, expressed concern about the UNC being out of sync with the approach and the desire for the CCSG to improve Cross Code working.

P Garner (PG) confirmed that the Joint Office would be happy to support the CCSG however this was ultimately a Panel decision.

T Saunders (TS) expressed, in support of Code Governance changes and any negative perception of the Joint Office not attending, there was a need to send the right signals. Panel members supported the Joint Office attending the Cross Code Steering Group as the UNC Representative.

Members determined (with 13 Panel votes available):

- The UNC Modification Panel nominated the Joint Office to represent the UNC at the CCSG, by unanimous vote (13 out of 13).

b) Approach for ROM requests over the holiday

E Rogers (ER) confirmed that under the DSC arrangements there is a 10-day SLA for ROM responses. Due to the Christmas break Xoserve proposed where requests are submitted between 22 December 2022 and 03 January 2023 the 10-day SLA would not start until 04 January 2023 unless there is an urgent need for a response. There was no objection to this approach.

c) Joint Office face-to-face meetings

P Garner (PG) noted that in the New Year the Joint Office would be opening its meeting rooms for face-to-face meetings. It was confirmed that the Performance Assurance Committee would be meeting face-to-face in Solihull in June.

It was noted that the intention will be to hold Panel meetings rotating between London, Solihull and online.

302.15. 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 19 January 2023	5pm Friday 06 January 2023	Teleconference / Microsoft Teams
10:00 Thursday 16 February 2023	5pm Friday 03 February 2023	Teleconference / Microsoft Teams

Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update	Expected update
PAN 07/01	21/07/22	292.4	JGAC to consider the recording of Panel meetings.	Joint Office (PG)	Closed	December 2022
PAN 12/01	15/12/22	302.11 (a)	Joint Office (RH) to request a view from Ofgem on dual governance in relation to Request 0828R - Introduction of an Independent Shrinkage Expert.	Joint Office (RH)	Pending	January / February 2023