

To help facilitate the Panel discussion on UNC345 and UNC353 Ofgem has set out its initial thoughts below. These thoughts relate to areas where we consider that further review with the industry would help to determine the impact of the proposals and the way forward.

UNC345

- The current legal text has square brackets on the reference to the implementation date for UNC345. There are also square brackets on the dates for the phased removal of DMV. The use of square brackets reduces clarity and we do not intend to approve the modification with ambiguity on when it would have effect.
- We therefore wish to understand what the implementation date for UNC345 is proposed to be and why (including any customer impacts). We suggest that the industry is consulted so that information can be provided to the proposer and to Ofgem.
- Once the consultation has concluded we would welcome revised legal text that set out clear implementation dates.

UNC353

- Under Gas Supply SLC17.9 a gas supplier must provide information to the shipper or the GT (where the supplier is also the shipper) on whether the premises is domestic or non-domestic. This information must be provided based on the definition of those terms in the Gas Supply Licence.

The Gas Supply Licence definition in SLC6 is not exactly mirrored under UNC353. In particular, the UNC353 definition is based on “use” at the premises whereas the gas supply licence definition is influenced by the contractual arrangements. In particular, where a customer changes use from non-domestic to domestic the licence allows for this customer to continue to be treated as a non-domestic customer until the end of their contract. Under the same circumstances, the UNC would require the status to be updated to domestic.

We would welcome views on the consequences of the differences in definition between the UNC and the Gas Supply Licence and whether any of these are material. In particular, it would be useful to understand any potential impact for suppliers/shippers holding two status flags for a customer and what the consequences would be for GDNs if they were not updated based on the use of gas at the premises.

- Our second concern relates to the drafting of the legal text. A new definition for domestic premises is proposed to be added to Section C:

“Domestic Premises” means Supply Point Premises where the gas is offtaken at the relevant Supply Point wholly or mainly for domestic purposes”

We note that this definition makes reference to Supply Point Premises which is defined in Section G:

“For the purposes of the Code ~~this Section G~~ the premises to which gas offtaken from the Total System at a Supply Point is or is to be supplied are the **“Supply Point Premises”**.)”

We consider that the use of the term “at the relevant Supply Point” in the definition of Domestic Premises is confusing. A paraphrase of the two definitions when read together is that Domestic Premises are premises where gas is offtaken at a Supply Point where gas is offtaken at the relevant Supply Point wholly or mainly for domestic purposes.

In addition to potentially being confusing, one interpretation of this could be that, rather than looking at the use of gas at the premises as a whole, the shipper would have to identify the use of gas at the location of the relevant Supply Point (which could be a single meter point in a mixed use premises).

We would welcome consideration of whether there is a requirement to retain the phrase “at the relevant Supply Point” and if so what the intent of this retention would be.