

**UNC Modification Panel Minutes**  
**Meeting 335 held on Thursday 21 August 2025**  
**via Microsoft Teams**

<b>Attendees</b>			
<b>Voting Panel Members:</b>			
<b>Shipper Representatives</b>	<b>Transporter Representatives</b>	<b>Consumer Representatives</b>	
C Paine (CP) Engie D Morley (DMo) OVO Energy M Jones (MJ) SSE O Chapman (OC) Centrica R Fairholme (RF) Uniper S Mulinganie (SM) SEFE Energy	D Mitchell (DMi) SGN E Allard (EA) Cadent J Rawlinson (JR) on behalf of C Gilbert (CG) BUUK M Montgomery (MM) National Gas Transmission R Pomroy (RP)/T Saunders (TSa) on behalf of T Stuart (TSt) Wales & West Utilities T Saunders (TSa) Northern Gas Networks	A Geveke (AG) EIUG C Farquhar (CF) Citizens Advice	
<b>Non-Voting Panel Members:</b>			
<b>Chairperson</b>	W Goldwag (WG) Chair	<b>Ofgem Representative</b>	E Osobina (EO)
<b>CDSP</b>	E Rogers (ER)	<b>IGT UNC</b>	A Jackson (AJ) for T Lattimore (TL)
<b>Independent Supplier Representative</b>	None	<b>NESO Representative</b>	M Niits (MN)
<b>Also, in Attendance:</b>			
<b>Joint Office</b>	<b>Observers:</b>		
H Cuin (HC) A Dhesi (AD) M Dusanj (MD) K Elleman (KE) P McKie (PM) Y Reid-Healy (YRH) D Tarasco-Fittock (DTF)	A Butler (AB) BUUK A Clasper (AC) Cadent Gas F Ahmed (FA) British Gas P O'Toole (PO) NGN S Catwell (SC) Electralink		

A Wellings (AW)		
Copies of all papers are available at <a href="https://www.gasgovernance.co.uk/Panel/210825">https://www.gasgovernance.co.uk/Panel/210825</a>		

## Record of Discussions

### 335.1. Introductions

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

### 335.2. Note of any alternates attending the meeting

R Pomroy (RP) and T Saunders (TSa) on behalf of T Stuart (TSt)

J Rawlinson (JR) on behalf of C Gilbert (CG)

A Jackson (AJ) on behalf of T Lattimore (TL)

### 335.3. Apologies for Absence

T Stuart (TSt) Wales & West Utilities

C Gilbert (CG) BUUK

R Hailes (RH) JO

T Lattimore (TL) IGT UNC

### 335.4. Minutes of the last meeting 17 July 2025.

Approved.

### 335.5. Review of Actions and Issues

None.

### 335.6. Urgent Modifications

None.

### 335.7. Variation Requests

None.

### 335.8. Derogation Requests

None.

### 335.9. Final Modification Reports

#### a) 0843 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert

H Cuin (HC) presented the Final Modification Report (FMR).

Please refer to the Panel Discussion with the published FMR at:  
<https://www.gasgovernance.co.uk/0843>

K Elleman (KE) explained that Modification 0843 seeks to establish an Independent Shrinkage

Charge (ISC) and appoint an Independent Shrinkage Expert (ISE). The proposal has been subject to extensive Workgroup discussions.

KE confirmed that 15 consultation responses had been received, with 9 opposing and 6 in favour. Panel Members acknowledged that the Modification was controversial. WG suggested that the Panel should proceed by reviewing each Relevant Objective in turn rather than re-examining the consultation numbers.

During discussion, Panel Members noted a number of drafting and housekeeping changes to the FMR, including clarifications proposed by R Pomroy (RP) and C Paine (CP). Members debated whether the summary of representations should comment on the length or detail of individual responses. S Mulinganie (SM) and others expressed the view that such commentary was inappropriate, as brevity should not undermine the value of a response. O Chapman (OC) and A Geveke (AG) agreed, and the relevant wording was removed from the FMR.

The Panel also considered the weight of the ICoSS response, which represents multiple Shippers. It was agreed that the FMR should note that one of the responses was submitted on behalf of ICoSS. CP also suggested clarifying that Xoserve had submitted a representation, to ensure balance in the recording of responses.

The Panel then focused on the interaction between the proposed ISC/ISE arrangements and existing Gas Distribution Network (GDN) Licence obligations. Panel Members noted that the Modification had been developed to avoid conflict with Licence conditions; however, T Saunders (TSa) and others cautioned that, in practice, the proposal could still challenge the intent of the Licence and might require consequential Licence changes. D Morley (DMo) disagreed, emphasising that the Modification does not alter the shrinkage methodology itself, but rather seeks to remove Shrinkage Model Error from Unidentified Gas (UIG). E Allard (EA) added that, regardless of drafting intent, Licence changes would likely be unavoidable if the Modification were to be implemented.

SM argued that the Modification had been carefully constructed to avoid conflict with the Licence and should not be portrayed as cutting across Licence conditions. RP and R Fairholme (RF) highlighted that raising a Code Modification can be the only route available for some parties, such as Shippers, to put issues on the table, unlike Transporters who can more easily raise matters directly with Ofgem. OC and EA noted precedent for UNC Modifications that required consequential Licence changes (e.g. Modification 506 – Gas Performance Assurance Framework and Governance Arrangements, Modification 621 – Amendments to Gas Transmission Charging Regime and Modification 678 – Amendments to Gas Charging Regime).

Panel Members discussed whether the Modification would create dual governance processes. Some expressed concern that it risked additional complexity and costs, while others argued that the added complexity would deliver improved transparency, accountability and consumer outcomes. J Rawlinson (JR) noted that several consultation responses suggested there were more efficient, less complex ways to address the underlying issue. SM responded that while complexity was being introduced, it was a considered trade-off for greater assurance and independent oversight.

The Panel also considered comments around potential “uncapped” costs. TSa argued that the ability for charges to be levied without an upper limit could introduce risks to GDNs’ credit ratings, given their Licence requirement to maintain independent ratings. DMo and SM countered that the scale of costs was expected to be small and subject to stakeholder governance, so concerns about financial risk were overstated. EA suggested that describing

the costs as “unknown” rather than “uncapped” might be more accurate.

EA referred to the development of the Digital Platform for Leakage Analytics (DPLA), due to be introduced in RIIO-3, and suggested that the outputs of this project could complement the work of the ISE. DMO agreed, noting that data produced by the DPLA could feed into the ISE’s calculations. RP highlighted that all networks were planning to implement the DPLA.

Views were divided on consumer impacts. RP suggested that if costs associated with the ISC were passed through, there could be re-distributional effects between domestic and industrial customers. SM argued that Ofgem may not approve such cost pass-throughs if they considered that networks had not discharged obligations efficiently. EA highlighted that once an ISC is approved and not disallowed by Ofgem, it endures until replaced by a future ISC, meaning its impacts may persist across years irrespective of changes in throughput.

Panel Members debated whether the Modification would deliver environmental benefits. RP and TSa noted that the ISE would not identify the location of leaks and therefore would not directly reduce physical shrinkage, while others argued that the Modification would create stronger incentives for networks to manage shrinkage, thereby supporting Net Zero objectives. CP and DMO suggested that the proposal could be considered positive against Objective E, with DMO adding that the missing gas was significant in scale. Panel Members also discussed whether Relevant Objective G could be applied if the Modification was deemed neutral against all other objectives.

Both consumer representatives, C Farquhar and AG, provided additional rationale for their votes in favour of the Modification. They noted that, after reviewing the information and meeting with Transporter representatives, there remained an evident trust and confidence issue surrounding the Shrinkage and Leakage Model. They considered that the Modification could have implications for consumer bills and other areas of concern, and therefore supported it on Relevant Objectives A), E) and G), despite recognising the additional process and costs associated with instituting the ISE.

CF requested that, if approved, the Panel should review the operation of the ISE after two years to assess whether the ISE’s figures are materially different from existing calculations and whether the process remains necessary. If the Modification were to be rejected, both consumer representatives asked that Ofgem be tasked with developing a universally accepted assurance and amendment process to ensure trust and confidence in the Shrinkage and Leakage Model.

**NOTE:** Given the complexity of this Modification Proposal in order to facilitate the completion of the FMR, the Chair, WG agreed that the Joint Office should note Panel members’ comments and complete the FMR outside of the meeting. The FMR will be circulated to all Panel members for review prior to publication. To ensure the accuracy of capturing Panel members’ comments for the FMR, WG requested that the discussions relating only to Modification 0843 were recorded using the Microsoft Teams functionality.

The views from Panel Members were captured within the Final Modification Report.

For Modification 0843, Members determined (with 14 Panel votes available):

- No new issues were identified during consultation, by unanimous vote (14 out of 14).
- The Modification has Cross Code impacts, by unanimous vote (14 out of 14).
- Panel Members agreed to implement this Modification voting (8 Members voting in

favour and 6 Members voting against).

**b) 0876S - Updates to the Annual Quantity (AQ) amendment process**

K Elleman (KE) presented the Final Modification Report (FMR), confirming that the Modification had been issued for consultation and that four representations had been received, all in support of implementation.

KE summarised the statements included in the FMR, which Panel Members had agreed. CP highlighted that the Modification also extends the ability to correct back to the original AQ in all cases, ensuring consistency where this had not previously been available. This clarification had been reflected in the Modification Report.

ER confirmed that, subject to approval, the current aim was to implement the Modification as part of the February 2026 release, noting that this remained dependent on both Ofgem and DSC ChMC approval and detailed scoping. This had been reflected in the Implementation section of the FMR.

Please refer to the Panel Discussion with the published FMR at:

<https://www.gasgovernance.co.uk/0876>.

Panel Members considered relevant objectives:

- d) Securing of effective competition between Shippers, Suppliers, DN Operators; and*
- f) Promotion of efficiency in the implementation and administration of the Code*

The views from Panel Members were captured within the Final Modification Report.

For Modification 0876S, Members determined (with 14 Panel votes available):

- No new issues were identified during consultation, by unanimous vote (14 out of 14).
- The Modification had no Cross Code impacts, by unanimous vote (14 out of 14).
- Panel Members voted unanimously to recommend the implementation of this Self-Governance Modification (14 out of 14).

**c) 0884 - Extending the PC4 Read Submission Window**

K Elleman (KE) presented the Final Modification Report (FMR), confirming that four consultation responses had been received, all in support of implementation. KE explained that the purpose of the Modification was to extend the Shipper read submission window, with the intention of improving the number of reads successfully processed through the system and thereby enhancing settlement outcomes.

In considering the Relevant Objectives, KE explained that the Modification Report had reflected differing views from industry participants. TSa noted that, in his view, the Modification was focused on settlement and therefore did not lead directly to efficiency in transportation, making it neutral against Objectives A and C, but positive against Objective D. CP agreed with this view, highlighting that settlement performance sits within Relevant Objective C, and that anything which improves Shipper performance in this area should be recognised. TSa reiterated that C relates to transporter Licence obligations, which cascade from Objective A, but agreed that there was a positive case under Objective D given the focus on settlement. KE confirmed that the Final Modification Report included wording to reflect these differing perspectives.,

Please refer to the Panel Discussion with the published FMR at:

<https://www.gasgovernance.co.uk/0884>.

Panel Members considered relevant objectives:

- a) *Efficient and economic operation of the pipe-line system.*
- c) *Efficient discharge of the licensee's obligations*
- d) *Securing of effective competition between Shippers, Suppliers, DN Operators; and*

The views from Panel Members were captured within the Final Modification Report.

For Modification 0884, Members determined (with 14 Panel votes available):

- No new issues were identified during consultation, by unanimous vote (14 out of 14).
- The Modification had Cross Code impacts, by unanimous vote (14 out of 14).
- Panel Members voted unanimously to recommend the implementation of this Modification (14 out of 14).

**d) 0890S - Addition of Consumption Adjustment and Updated Meter Readings to initiate an AQ Calculation Month**

K Elleman (KE) presented the Final Modification Report (FMR), confirming that three consultation responses had been received, all in support of implementation.

ER advised that the Modification remained at an early stage in the DSC process and that no release target had yet been scoped. CP noted that the Modification would have a positive impact by improving the accuracy of AQs, and this was reflected in the wording of the FMR.

In considering the Relevant Objectives, Panel Members agreed that the principal benefit was under Objective D (securing effective competition between Shippers, Suppliers, and DN Operators). TSa noted that while she did not disagree, the case for Objective D was expressed in relatively broad terms.

Please refer to the Panel Discussion with the published FMR at:

<https://www.gasgovernance.co.uk/0890>

Panel Members considered relevant objectives:

- d) *Securing of effective competition between Shippers, Suppliers, DN Operators; and*

The views from Panel Members were captured within the Final Modification Report.

For Modification 0890S, Members determined (with 14 Panel votes available):

- No new issues were identified during consultation, by unanimous vote (14 out of 14).
- The Modification has no Cross Code impacts, by unanimous vote (14 out of 14).
- Panel Members voted unanimously to recommend the implementation of this Self-Governance Modification (14 out of 14).

**335.10. Workgroup Issues**

None.

**335.11. Workgroup Reports for Consideration**

None.

**335.12. New, Non-Urgent Modifications**

**a) 0913FT - Amending referencing and naming errors in TPD Section B and V**

M Montgomery (MM) presented the Modification.

Please refer to the Modification published at: <https://www.gasgovernance.co.uk/add link>

Refer to slides. <https://www.gasgovernance.co.uk/Panel/210825>.

TSa outlined her concerns regarding the Fast Track route. She explained that the Modification seeks to correct sub-references that have been incorrect in the Code for three years. Given this duration, she argued that it was important to ensure full visibility to industry through consultation and Workgroup discussion, as parties may have already interpreted the existing drafting differently. She emphasised that while the proposed changes appeared minor, a Workgroup review would provide assurance that there were no unintended consequences.

WG summarised that although the proposed corrections may appear trivial, the Panel should consider whether they warranted Fast Track treatment. MM confirmed that the Proposer had no objection to the Modification being considered at a Workgroup.

EA noted that colleagues in Xoserve and Cadent were working on a separate proposal addressing housekeeping issues of a similar nature, though with a broader scope and different timelines.

WG confirmed that, due to MJ's absence for this agenda item, there were 13 Panel votes available.

For Modification 0913FT, Members determined (with 13 Panel votes available):

- There are no Cross-Code impacts, by unanimous vote (13 out of 13).
- The criteria for Self-Governance is 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 (13 out of 13).
- The Modification does not meet the Fast Track criteria (5 members voting in favour and 8 Members voting against).
- The Modification should be issued at Workgroup with a report to be presented to September 2025 Panel, by unanimous vote (13 out of 13).

**335.13. Existing Modifications for Reconsideration**

The following update was provided to the estimated decision dates timetable published at <https://www.ofgem.gov.uk/energy-policy-and-regulation/industry-codes-and-standards>

Modification	Estimated Decision Date
D0001 – Hydrogen Blending: An NTS Transportation and Power Station Consumption Demonstration	TBC
UNC900 – Amendment to the Gas Quality NTS Entry Specification at Biomethane System Entry Points	TBC
UNC0886V - Amend the Code Cut-Off Date to a Rolling Period   Joint Office of Gas Transporters - Gas Governance	22 August 2025
UNC0896 - Reducing the current Code Cut-Off Date (Line in the	22 August 2025

Sand) from 3 to 4 years to 2 to 3 years   Joint Office of Gas Transporters - Gas Governance	
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E Osobina (EO) advised that Modification 0887 (Facilitating Bi-Directional Connections Between IGT Pipelines and the NTS) had been published on 19 August 2025 as scheduled. UNC0886V and UNC0896 remained on track for decisions by 22 August 2025. The Derogation linked to UNC0900 was still under review, with no change to the expected timeline.

EO confirmed that the relevant Ofgem Digitalisation team had acknowledged the error identified in the July Panel regarding obligations being placed solely on the UNC Panel. A second consultation would be issued to correct this, and Ofgem intended to request attendance at a future UNC Panel to answer questions directly.

EA highlighted that feedback received had identified two main issues: first, that the Panel was treated as an outlier compared to other codes where obligations are shared with administrators, and second, that the draft licence text in the consultation appendix was based on IGT Licence conditions, with missing references to RIIO-GT conditions. EO confirmed that both points had been raised with the relevant policy teams.

DMo queried whether the inclusion of Net Zero requirements was being considered, to which EO responded that there were no immediate updates, but Ofgem was continuing to engage with the responsible team and that work was progressing more slowly than anticipated.

EO reported that Ofgem had hosted a workshop on 13 August 2025 following publication of its decision document on 1 August 2025, issued alongside the preliminary Strategic Direction Statement (SDS). The workshop focused on implementation of Ofgem’s proposed prioritisation policy.

EO summarised that the decision document included:

- Conclusions and rationale from the consultation;
- Additional policy developments not yet consulted upon;
- Draft legal text and proposed guidance;
- Next steps on the harmonised prioritisation process under Schedule 12 of the Energy Act 2023.

Ofgem was considering a Spring 2026 implementation date, subject to consultation timelines, and intended to coordinate a cross-code go-live date. EO emphasised the importance of ongoing dialogue between code administrators and stakeholders in preparing for this.

EO also confirmed that the preliminary SDS had been published, setting out a strategic assessment of government policies and sector developments likely to require code modifications. A final SDS would be published annually following designation of industry codes.

Ofgem had additionally published proposals to grant code manager licences to Elexon (BSC) and RECCo (REC), with consultation open for 28 days. This represented continued progress towards granting the first licences in 2026, with further phases of the selection process planned later in the year.

During the discussion, SM expressed concern that lessons be learned from the issues faced under REC when deprioritising Modifications. TSa observed that although the proposed framework appeared prescriptive, the Panel already operated in a similar way when prioritising Modifications, and it was important not to stray too far from established practices. CF emphasised that capacity constraints must be considered, ensuring that code managers have sufficient resources to manage both urgent or high-priority Modifications and those of lower priority. SM also noted that REC had recently re-introduced industry Workgroups, questioning whether governance arrangements were reverting to earlier models. JR commented that Ofgem’s proposals remained under review and that the Panel would have further opportunities to provide feedback once additional detail became available. KE confirmed that relevant documentation would be published on Ofgem’s website and assured Members that any Governance Workgroup discussions would be shared publicly.

EO concluded by referring Panel Members to the following publications for further information:

[Preliminary Strategic Direction Statement for industry codes | Ofgem](#)

[Elxon Limited: notice of proposal to grant a code manager licence | Ofgem](#)

[Retail Energy Code Company Limited: notice of proposal to grant a code manager licence | Ofgem](#)

**335.14. Modification Reporting**

**a) Workgroup Report Dates**

Modification	Current reporting date	Requested Panel reporting date	Reason for request to change Panel reporting date/Comments
0908 - Removal of DNO meter reading obligations resulting from non-provision of a Valid Meter Reading	September 2025	December 2025	Modification requires further assessment
0911S - Amendment to DSC to introduce Shipper Assurance Audit (ISAE)	September 2025	December 2025	Modification requires further assessment

M Niits (MN) confirmed there were no concerns with granting the extensions, noting that both Modifications remained at the recommendation stage and were not yet in a position to develop Legal Text. MN highlighted that the associated documentation had also indicated that both were at the recommendation stage, which may have been due to the reuse of a previous Panel message that had not been updated. KE advised that any discrepancies would be followed up offline.

UNC Modification Panel Members discussed the extension requests and determined unanimously to grant them.

**b) 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
0907 – Extension to current maintenance period	Yes
0910S – Amendment to DSC T&Cs to include a requirement to provide data incident contact details	Yes

**335.15. Any Other Business**

**a) D0002 Supporting Information Document**

KE reminded Members that Derogation D0002 had been considered by the Panel in July and subsequently issued for consultation, closing at the end of August 2025. SH had since provided clarification and further detail, which had been published in a supporting information document available at: <https://www.gasgovernance.co.uk/Panel/210825>.

SM queried the purpose of the document, noting that it contained limited information. TSa explained that the document had been prepared to address questions raised at the July Panel,

including whether site-level consent should be sought and whether data should be aggregated. TSa confirmed that, where possible, data would be provided on an aggregated basis and only in accordance with overarching legislation. SM sought assurance that explicit customer consent would be obtained where necessary. TSa confirmed that if consent was required, the data would not be provided without it.

EA queried whether obtaining consent would negate the need for a derogation. TSa clarified that while consent provided additional assurance, the Derogation remained necessary as it related to UNC obligations. TSa emphasised that the supporting document was intended to reassure stakeholders that data use would be appropriately safeguarded and that third-party protections would be reflected through confidentiality agreements.

**b) UNC Modification Panel Annual Report - DRAFT**

WG confirmed that the draft UNC Modification Panel Annual Report had been issued to Members and was available at: <https://www.gasgovernance.co.uk/Panel/210825>

MN queried the process, noting that the report covered the previous year and questioned why there was a significant delay in publication. WG explained that time was needed to collate all information. KE added that resource constraints had contributed to the delay, as some KPI reporting had longer lead times, but steps were being taken to address this.

CF raised a query regarding Appendix B (attendance records), highlighting the distinction drawn between physical and remote attendance. CF noted that attendance should not be considered lower if representatives had joined by telephone. KE agreed that this was a legacy practice and confirmed that the table would be updated. WG agreed that the approach was outdated.

M Jones (MJ) highlighted a minor correction, noting that the title page referred to “Gas Years” and should be amended to “Gas Year”.

**335.16. Date of Next Meeting(s):**

Panel meetings are listed at: <https://www.gasgovernance.co.uk/panel/2025>

All other Joint Office events are available via: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Time / Date	New Mod Deadline	Venue
10:00 Thursday 18 September 2025	5 pm Friday Fri 05 September 2025	Teleconference / Microsoft Teams
10:00 Thursday 16 October 2025	5 pm Friday Fri 03 October 2025	<b>London</b> / Teleconference / Microsoft Teams
10:00 Thursday 20 November 2025	5pm Friday Fri 07 November 2025	Teleconference / Microsoft Teams
10:00 Thursday 18 December 2025	5pm Friday Fri 05 December 2025	Teleconference / Microsoft Teams