

**UNC Modification Panel**  
**Minutes of Meeting 255 held on**  
**Friday 27 March 2020**  
**via Teleconference**

## Attendees

### Voting Members:

| <b>Shipper<br/>Representatives</b>   | <b>Transporter<br/>Representatives</b>   | <b>Consumer<br/>Representatives</b> |
|--|--|-------------------------------------|
| M Bellman (MB),<br>ScottishPower<br>R Fairholme (RF), Uniper<br>M Jones (MJ), SSE<br>S Mulinganie (SM),<br>Gazprom | R Cailles (RC), BU UK<br>H Chapman (HC), SGN<br>G Dosanjh (GD), Cadent<br>R Pomroy (RP), Wales &<br>West Utilities | N Bradbury, EIUG                    |

### Non-Voting Members:

| <b>Chairperson</b>    | <b>Ofgem Representative</b> | <b>Independent Supplier<br/>Representative</b> |
|-----------------------|-----------------------------|--|
| W Goldwag (WG), Chair | L King (LK)                 | (None)   |

### Also in Attendance:

B Fletcher (BF), Joint Office  
P Garner (PG), Joint Office  
K Jones (KJ), Panel Secretary  
H Kreuzer (HK), Vermilion Energy  
K Rhodes (KR), Conoco Phillips  
E Rogers (ER), Xoserve.

### Record of Discussions

#### 255.1 Introductions

WG welcomed all attendees.

#### 255.2 Note of any alternates attending meeting

Phil Hobbins for Darren Lond

Rebecca Cailles for Alex Travell

Richard Pomroy for Tracey Saunders

Steve Mulinganie for Andrew Green and Dan Fittock

### **255.3 Record of apologies for absence**

Alex Travell

Andrew Green

Dan Fittock

Darren Lond

Tracey Saunders

### **255.4 Final Modification Report**

#### **a) Modification 0711S - Update of AUG Table to reflect new EUC bands**

PG explained that there had not been enough discussion of the Relevant Objectives at the last UNC Modification Panel meeting and there was an opportunity to review them before the Final Modification Report is sent to Ofgem.

Panel Members reviewed and agreed the text in relation to the Panel Discussions from the last UNC Modification Panel meeting before considering the Relevant Objectives.

Panel Members agreed with the statement provided by the Proposer that the Modification furthers Relevant Objective (d).

PG confirmed that the Final Modification Report will be issued to Ofgem in line with the voting outcomes from the 19 March 2020 Panel meeting.

Panel discussion: see the Final Modification Report published at:

<https://www.gasgovernance.co.uk/0711>.

### **255.5 AOB**

#### **a) Workgroup Planning & Reporting Dates**

PG highlighted that the *UNC and DSC Approvals Process* presentation is provided to UNC Modification Panel Members for information. The slide highlights the key documents and dates for approval. She reminded UNC Modification Panel Members that the UNC and DSC Elections process will be commencing in May 2020.

#### **b) Table highlighting Modification and UNC Approvals required over the next 6 months**

WG explained that the presentation titled *UNC Modifications Proposed Prioritisation Process* was intended to facilitate industry discussion and

thinking. She clarified that industry decisions were not expected on what Modifications should be prioritised at the meeting.

She added that the discussion was important in the context of the considerations of other regulatory bodies during this unprecedented time. She gave the example of the pensions ombudsman not taking on any new cases in the current climate. Several other Government bodies have indicated that end of year accounts will need to be delayed until September.

She invited Ofgem to provide an update.

LK confirmed that on 24 March 2020, Ofgem issued a statement in relation to its work programme (<https://www.ofgem.gov.uk/publications-and-updates/ofgem-s-work-programme>).

As a result, no new information will be published, and no decisions will be taken in the next two weeks except where legally required. The forward work plan and priorities in relation to the regulatory landscape and obligations remain the same.

PG introduced the presentation by reiterating that it is a 'think piece' for discussion at the Modification Panel. She reaffirmed the Joint Office commitment to the gas industry during these extremely challenging and unprecedented times. She highlighted that the Joint Office effectively managed an exceptionally high number of attendees (circa 90+) by teleconference at the Distribution Workgroup held on 26 March 2020. She added that Joint Office is fully operational using a variety of different platforms.

She acknowledged the operational issues being experienced by the gas industry, having to introduce new practices and procedures. She added that Joint Office are committed to supporting industry during these times.

PG encouraged industry parties to raise any concerns with Joint Office as early as possible and enter a dialogue so that Joint Office can provide support and advice through the process.

WG invited Panel Members to discuss the proposed five key principles that could be adopted to support the prioritisation of UNC Modifications. The following comments/observations were made by Panel Members:

SM stated that principles were not consistent with the Ofgem statement. He suggested that the Ofgem principles which include, protecting customers and those who work in the industry; focussing on maintaining a secure and reliable service and addressing customers' needs – particularly the most vulnerable should be adopted. He added that it was not clear how *force majeure* would apply in these circumstances.

RP suggested that perhaps only urgent Modifications should be considered for a period, for example those related to covid-19. He agreed that the principles should align with Ofgem's and suggested testing the proposed principles against Ofgem's principles.

GD supported the suggestion of prioritising urgent Modifications and aligning with the vision and strategy set out by Ofgem through their guidelines.

NB suggested exercising some caution to ensure that the impacts on industry and customers are fully known as well as any unintended consequences.

HC also supported alignment with Ofgem principles. Whilst she agreed that it would be sensible to prioritise urgent Modifications, she suggested that more understanding and information is needed on the actual problems faced by industry. What type of issues need to be addressed and can they be managed.

MJ agreed with previous comments and also questioned whether current 'live' Modifications should continue to be progressed to the current timescales and whether some could be delayed.

PH also agreed with most comments. He suggested delaying Modifications requiring significant development as this will impact industry resources and Workgroup development time.

MB agreed with the view about understanding the entire situation agreeing that industry is currently dealing with some important issues. He welcomed the opportunity to discuss the Joint Office presentation as it provides a useful exercise to think about prioritisation of industry Modifications. In principle, he indicated that he didn't object to any of the principles but agreed that prioritisation should be driven by Ofgem priorities, principles and guidelines.

LK reaffirmed that Ofgem's priority is to protect consumers, especially the vulnerable, and maintain Britain's supply of electricity and gas. Ofgem will continue to reflect on this position and review it as the situation develops. He indicated that Ofgem would not normally expect the UNC Modification Panel to consult with Ofgem on prioritisation of Modifications. He suggested that on an exceptional basis Modifications might be referred to Ofgem for a view/direction. In addition, he indicated that Ofgem would not want to impact on the process by slowing it down and where Modifications are relatively straightforward, they should not be stifled, or the process smothered.

WG summarised the Panel Discussion saying that the majority of Panel Members agreed with the view that the starting position should be Ofgem's principles. She suggested that Joint Office check the proposed principles against the Ofgem Principles to see if they fit or if they are needed.

A brief Panel discussion took place on 'inflight Modifications'. WG suggested Joint Office ensure that there is enough flexibility in any process timetable in terms of consideration of Modifications.

In response to a question from SM, PG confirmed that there are currently no critical Modifications that relate to Covid-19.

WG asked Panel to consider a situation where industry is developing Urgent Modifications in response to Covid-19, how would the existing Modifications be prioritised and which if any would need to be considered?

PG confirmed to industry that Joint Office is currently continuing to progress all 'live' Modifications through Workgroups subject to quoracy. She added that no Workgroups have been closed.

SM suggested that there may need to be a temporary pause on the

development of Modifications. He added that industry resources are under pressure and would be better redeployed in the context of dealing with urgent Covid-19 issues.

WG sought Panel Member views on the availability of industry to attend Workgroup meetings.

A Panel Member suggested it would depend on the length of time and whether this would mean industry meetings are cancelled for the period of the 3 - week lockdown or the 12 - week period for vulnerable people to remain in isolation. An extended period of say 6 months would lead to wider impacts, for example it will be necessary to put in place arrangements before the price controls in April 2021.

PH suggested that National Grid can resource Workgroups and would want to see Workgroups continue. Several other Transporter Members agreed with this view. HC suggested that there if progress is halted there could be commercial impacts.

The majority of Panel Members agreed that Workgroup meetings should continue as planned.

NB raised a concern about the prioritisation of Modifications that are linked to other Modifications such as short-haul.

PG asked Ofgem if there is likely to be a delay to the final decision in relation to Modification 0678 - *Amendments to Gas Transmission Charging Regime*.

LK responded to confirm that he is not in a position to provide an update until the Ofgem prioritisation work is complete but was aware of industry concerns in relation to this.

WG summarised the discussion to confirm that:

- There was consensus that Workgroups should not be closed but what was discussed there will be prioritised.
- 'Inflight' Modifications should be reviewed against the principles when they are finalised.
- Some Modifications may need to be de-prioritised.

RF asked if the UNC Modification Panel has the power to suspend the UNC Modification Process. RP responded to say that a change to the UNC Modification Rules may be needed if it is a longer-term position, but a temporary measure might be allowed.

HC suggested that Joint Office issue an industry communication to raise awareness and provide an opportunity for industry to raise any issues/concerns. It was agreed that this could be done by circulating the minutes of this meeting.

|  |
|--|
| <p><b>New PAN Action 0303:</b> Joint Office (PG) to update the presentation <i>UNC Modifications Proposed Prioritisation Process</i> and re-issue it to Panel Members.</p> |
|--|

**c) Update on Ofgem Covid19 position**

LK provided a brief update confirming that Ofgem:

- He reiterated that Ofgem are reviewing the [forward workplan](#). As a result, Ofgem are not publishing new information or making new decisions except where these are legally required. Where a Modification is considered to be important these will be looked at on a case by case basis.
- Ofgem expect licensees to raise issues early, particularly where licence obligations cannot be met.
- Guidance on [keyworkers](#) is now available on the government website.
- In relation to the smart-meter roll-out and engineer visits, LK indicated that Suppliers should work to government guidelines on social distancing whilst managing their regulatory obligations as best they can.
- Ofgem have updated their website information in relation to [Ofgem Coronavirus webpages](#) with [new information for licensees and industry](#).
- In addition, Jonathan Brearley Ofgem [CEO has released a new blog](#) on 27 March 2020 on what Ofgem are doing to protect consumers.
- LK agreed to provide regular updates as the Ofgem guidelines are developed.

**255.6 Date of Next Meeting**

09.30, Thursday 16 April 2020, by teleconference.

| <b>Action Table (27 March 2020)</b> |                     |                   |  |                    |                        |                                |
|-------------------------------------|---------------------|-------------------|--|--------------------|------------------------|--------------------------------|
| <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</b><br>04/11                 | 21/11/19            | 250.11            | Code Administrator (J O) to draft a straw man template/dashboard showing Management Information for Modifications in flight for Panel to consider in January 2020. | Joint Office (PG)  | <b>Carried Forward</b> | <b>June</b>                    |
| <b>PAN</b><br>03/01                 | 19/03/20            | 254.10e           | New Action PAN 03/01: National Grid (JR) to provide an update at the April Panel meeting and in particular report any issues.                                      | National Grid (JR) | <b>Pending</b>         | <b>April</b>                   |
| <b>PAN</b><br>03/02                 | 19/03/20            | 254.11            | New Action PAN 03/02: Joint Office (PG) to include an appendix to the Workgroup Reporting Dates and Legal Text Requests table detailing the Modification Titles    | Joint Office (PG)  | <b>Pending</b>         | <b>April</b>                   |
| <b>PAN</b><br>03/03                 | 27/03/20            | 255.5b            | Joint Office (PG) to update the presentation <i>UNC Modifications Proposed Prioritisation Process</i> and re-issue it to Panel Members.                            |                    | <b>Pending</b>         | <b>April</b>                   |