



## **IGT UNC Modification Workstream Meeting**

### **Draft Minutes**

**10<sup>th</sup> September 2020 via Teleconference**

<b>Attendee</b>	<b>Initial</b>	<b>Organisation</b>	<b>Role</b>
Anne Jackson	AJ	Gemserv	Chair
Cher Harris	CH	Indigo Pipelines	
Chris Barker	CB	BUUK	
Rebecca Cailes	RC	BUUK	
Heather Ward	HW	Energy Assets	
Claire Roberts	CR	Scottish Power	
Mark Jones	MJ	SSE	
Kirsty Dudley	KD	E. ON	
Richard Dakin	RD	E. ON	
Ellie Rogers	ER	Xoserve	
Rachel Clarke	RCL	Gemserv	Code Administrator
Kemi Fontaine	KF	Gemserv	Code Administrator

#### **1. Welcome and Apologies for Absence**

The Chair welcomed attendees to the meeting and advised that no apologies have been received however, the Chair noted that KD and CB would be dialling off after IGT140 and IGT132 respectively.

#### **2. Confirmation of Agenda**

The Chair confirmed the items for discussion as outlined in the final agenda and asked attendees for AOB items. Workgroup members did not submit any AOB items to discuss.

### 3. Approval of the Previous Minutes

The Code Administrator noted that one issue had been raised prior to the meeting concerning the organisation referenced for HW. The Code Administrator noted that that amendment had been made prior to the meeting. Taking into consideration the amendment made, the Workgroup concluded that these minutes were an accurate reflection of the meeting.

### 4. Outstanding Actions

KF outlined the outstanding actions and updated the Workgroup on the following actions:

**WS 20/08-01-** The Chair updated the Workgroup on the current progress of the Business, Energy and Industrial Strategy (BEIS) clause which has been added to the UNC following the Consultation in 2019. The Chair noted that the Joint Office implemented the change in August 2020 and noted that BEIS mandated this under the powers in Section 88 of the Energy Act 2008. The Chair noted that BEIS had requested that this be put in code in June 2020 and that the data permissions that this clause was granting would come into effect in October 2020. It was advised that IGT135 and the equivalent UNC0697 Modification in their current forms, once implemented would remove the clause that has been subject to the BEIS changes.

ER explained that Xoserve had raised the potential issue with BEIS in their initial consultation. ER noted that the member of BEIS that Xoserve had spoken to did not follow up on this. ER explained that the intent of the clause was to instruct the Central Data Services Provider (CDSP) to provide additional information to the Data Communications Company (DCC), which would be discussed further by the Contract Management Committee in the next coming meeting. ER further highlighted that within the September 2020 Contract Management Committee meeting a request would be presented on behalf of the BEIS clause to provide visibility to Contract Management Committee on what Data was being requested by BEIS to fulfil the intent of the removed Proposed text.

ER further highlighted that concerning IGT135, the BEIS clause did not have an impact theoretically as the clause had not been put into the IGT UNC. The Chair noted that although that was the case in theory, the clause did still need to be added to the IGT UNC as the Data shared with the DCC would cover all Supply Points of Advanced Meters. ER further explained that concerning the equivalent UNC Modification 0697, the UNC Panel would be discussing possible ways forward in order to not

unnecessarily halt the progress of the Modification. ER confirmed that this would be discussed at the September 2020 UNC Panel meeting.

The Chair queried whether this would be submitted to Panel as a Varied Modification. ER indicated that it would be a Panel determination on whether the Modification should be Varied with non-material variations. The Chair noted that one approach discussed with the proposer of the Modification was to keep the clause that the BEIS changes had been added to (v5.17 of the UNC), where BEIS had added sub-clauses. Instead the solution would remove the areas of that clause the UNC0697 intended to remove. Therefore, fulfilling the intention of the 697 solution but maintaining the changes parachuted in by BEIS.

ER noted that following the implementation of UNC697 it was the intention of the proposer to raise a subsequent modification to move V5.17 to the DSC in its entirety in line with the intention of removing individual data permissions out of Code and into the Data Permissions Matrix,

The Chair discussed the requirement for an IGT UNC Modification to ensure that the relevant permissions were included in the IGT UNC for IGT Supply Points. The Chair noted that a Fast Track Self-Governance Modification would be raised to point to reintroduce K23.6 of the IGT UNC to ensure that the IGT UNC is compliant with the licence condition changes set out by BEIS and add the link over to the UNC.

**WS 20/07-01-** KF noted that an update had not been received therefore the action would remain open.

## **5. [IGT140 – Changes to the IGT Panel Rules](#)**

KD outlined the additional minor amendments to the solution and Ancillary Document which qualified the term 'constituency' as this was not a defined term and a definition was not being added to the Modification. The addition to the Solution and the Ancillary document noted that when constituency is referenced it should be taken as Pipeline User of Pipeline Operator. RCL presented the Legal text to the Workgroup and initially outlined the following intended amendments to the IGT UNC code.

The main areas of change are listed below, however a full copy of the amended IGT140 legal text are located [here](#);

- The reallocation of K43 'General Provisions Relating to IGT UNC Ancillary Documents' to Part L31 as this clause now incorporates change to how the IGT UNC Panel Guidance Ancillary Document can be amended (via Panel Majority, with the exception of Panel minimums and Voting rules) as formally all Ancillary Documents had to be amended via a Modification. It was therefore felt that this was more suited to Part L.
- The addition of the new Ancillary Document name to Appendix K-2.
- Throughout the IGT UNC all references which include Chairman have been changed to Chairperson to reflect gender-neutrality.
- In Clause L5.9 a reference to the utilisation of a Proxy vote to be considered as making up the minimum quoracy has been added.
- In Clause 5.10 the detail of the Proxy Vote submission process has been added.
- Clause 6.9 has been amended to reflect the new voting approach and the new arrangements for Quoracy as per the solution.
- Clause 6.10 has been amended to reflect that quoracy would be applied to reconvened meetings.

The Code Administrator took the Workgroup through the Workgroup report. The Workgroup had significant discussion around the Relevant Objects of IGT140.

The Workgroup agreed that this Modification had a positive change on Relevant Objective F, however, did not immediately see how this had a positive impact on Relevant Objective D (Securing of effective competition). The Proposer maintained that it was felt that this was a secondary impact and that the main impact had been on F. The IGTs queried whether the impact on Relevant Objective D was a positive one as the Modification allows one person to vote three times and that this could have possible negative impacts on competition. The Proposer acknowledged the challenge, however, noted that the Ancillary document supported that that one member should be voting on behalf of their constituency with the multiple votes. This approach was supported by the other Shipper members in the meeting.

The full discussions are summarised in the Workgroup report which can be found [here](#).

## 6. IGT132 – Introduction of IGT Credit Code Rules

CB opened the discussion on IGT132 and addressed the queries raised by parties at prior Workstream meetings. CB confirmed that KD had suggested adding a transitional period into the implementation of the Modification in order to give adequate time for Shipper and Suppliers enough time to prepare. CB noted that following internal discussions it had been concluded that a transitional period would not be required as no time limit had been specified within the legal text and the arrangements remain voluntary. Therefore, Shippers would be able to take their time to understand the Credit code rules before making the necessary arrangements. CB also highlighted a query from Ofgem regarding whether Xoserve dealt with code credit rules between Large Transporters and Shippers or whether Shippers go direct to the DNs for these arrangements as this could have potential impacts. CB could not confirm this. However, ER took an action to consult with the IGT advocate within Xoserve in order to confirm whether this is the current arrangement.

**WS-20/09-01: Ellie Rodger is to consult an IGT UNC advocate within Xoserve and confirm whether Xoserve service the credit code rules for the Large Transporters.**

CB Lead the discussion on the Legal Text provided by BUUK for this Modification.

CB presented the proposed legal text within Part G – Pipeline Transportation Charges, Invoicing, Payment and Code Credit Rule and defined the following clauses.

- G21- Provision of Cover, CB explained that this section outlined that it was at the discretion of the IGT to start credit arrangement discussions with a Shipper, however, the Shipper was obligated by the new suggested text to support respond and agree arrangements.. CB highlighted that this section included the various types of security available and highlighted the provided examples such as 'Cash Deposits' and letter credit. Furthermore, CB noted this gave parties the flexibility for any form of collateral as agreed between parties which CB noted is similar to the the Distribution Connection and Use of System Agreement (DCUSA) arrangements already in place. CB provided the Workgroup with an overview of the outcomes of the methodology and the need for an additional security measure.

The Workgroup had no further comments regarding CB points on Part G21.

CB summarised clause G21.2 and outlined that this section referred to how much security was required from a Shipper under the new arrangements to satisfy the new code credit rules proposed. CB outlined how this was calculated in practice, giving an example of how this would affect an average Shipper. The Chair suggested that this may be an appropriate to include in the Modification as an appendix in order to show how these arrangements would work.

CB presented G21.3 and identified that this section referred to the cover requirement and ongoing operation management of the credit arrangement once the changes to credit are in place and highlighted the following allowances:

- How to make changes to credit.
- When it was appropriate to make changes to credit.
- How much amendments could be applied.
- Varied timescales would be provided as deadlines during the exchange, which would be a requirement for both Shippers and IGTs.

CB progressed to clause 21.4 and identified that this section referred to use of cover following a payment default. CB highlighted that this section outlined how to use the new credit arrangements once implemented.

The Workgroup had no further queries regarding this section of the Legal Text.

The Workgroup next were presented the clause 21.5 which underpin the provisions in 21.4. CB opened the discussion at clause G21.6 with the pipeline users right to withdraw funds. CB explained this allowed the Shipper to collect some of the protection provided in a scenario where they had over paid. However, CB noted that this was subject to circumstances and the allowance of the amount of security would fluctuate. CB noted that the timescales provided would be applied to only the Shipper. CB Further noted that the UNC had similar rules, however, more constricting.

The Workgroup were next presented with the clause 21.7. CB identified that this section provided clarity on insurances and protection for Shippers that arrangements will not go beyond the Code Credit Rules. CB explained that this meant that anything the party provided would be limited within these rules.

CB presented clause 21.8 which referred to disputes and highlighted that this clarified were parties should resolve disputes in good faith, however, should the circumstance not be resolved within 10 working days, parties would be able to contact the Authority to resolve the issue. LK suggested that it was unclear in what circumstances the Authority should be contacted. LK queried what determinations the Authority would be expected to make under these circumstances and reiterated that the Authority would not get involved in business to business disputes unless it was under exceptional circumstances. The Workgroup discussed whether the timeframe ascribed in the drafting was realistic given 10 business days is a relatively short period. CB agreed to consider extending the number of days assigned to resolve a dispute and discussed the possible further clarification behind the Authorities role within this circumstance.

Lastly CB referred to G21.9 and explained that this clause required Shippers and IGTs to bilaterally agree suitable contacts to discuss code credit rules issues were no such arrangements were in place today. CB noted that this would be covered under the IGT UNC Ancillary document (Standards of Service Query Management) in regard to contact requirements for invoices and code credits rules as this provides a backstop if parties are unable to obtain access to the relevant people within an organisation, however, this would provide access to the company.

CB concluded the discussion with the confirmation that the suggested amendments will be discussed internally before the next Workgroup meeting.

The Chair confirmed that the next steps would be to formulate a Workgroup report following the review of the amended Modification.

The Full Legal text can be found [here](#).

## **7. IGT138 - Performance Assurance Techniques and Controls**

CR provided an update on the progression of the equivalent Modification (UNC 0674) and confirmed that an amended version of IGT138 was currently being amended to reflect the UNC Modification.

The Chair confirmed that this would be published on the website once completed and confirmed that it was the intention to compile the legal text once this was made available. The Chair indicated that the amended Modification and the completed Legal Drafting will be reviewed in the next Workstream meeting. The Chair encouraged parties to attend the last Workgroup meeting for (0674) if they wish to

be included in the discussion as limited discussion will be had in the IGT UNC Workstream meeting on the solution of these Modifications.

#### 8. IGT145 - Transfer of sites with low valid meter readings

MJ introduced the new IGT UNC Modification and confirmed it was originally believed that this Modification was not required and summarised the equivalent UNC Modification's progress through the change process (UNC664). MJ highlighted that UNC664 was initially raised three years ago by Npower and had already been developed and sent out for Consultation in the UNC, however, this Modification had been returned to Distribution Workgroup following parties responses during consultation which highlighted concerns with the Change of Supplier process and the effect the solution would have on freezing out incumbent Suppliers. MJ confirmed that a number of amendments had been made to the UNC Modification which would be presented to the UNC Panel for a decision whether to send the Modification back out for consultation as these changes were material or whether to decide on its implementation.

MJ noted that when the equivalent UNC Modification was raised it was not believed to have an impact to the IGT UNC. However, following the Code Administrators review of the legal text for (0664) it was established that it was not sufficiently referenced in the IGT UNC and, therefore, a Modification was required.

MJ briefly summarised the intention of the UNC Modification noting that it creates an obligation for Shippers to move Supply Points with low Valid Meter Reading submission performance from Classes 2 and 3 into Class 4, following a consecutive period of poor performance. The CDSP will automatically move any Supply Points not moved by the Shipper in such a scenario (after an allowed period of time). MJ noted that following good discussion at the IGT UNC Panel meeting in August, the clarity of the Solution for IGT145 had been lost in the detail of the UNC change. MJ noted that following suggestions from the Panel on how to give this Modification more clarity, various areas of the Modification had been amended to ensure that parties were aware that this change only seeks to add the link from the IGT UNC to the UNC changes. The biggest area of change in IGT145 has been to the solution where one business rule has been retained for the IGT UNC and all other information regarding the UNC change had been moved to an Appendix for information only.

MJ noted that during the same meeting the governance of the Modification was also discussed. MJ noted that the original IGT145 was proposed to be an Authority decision, however, following discussions with the IGT UNC Panel and Ofgem, it was decided that as this Modification did not have the same material impacts as UNC664, therefor should proceed as Self-Governance. BR queried whether what was the objective of a Shipper or a Large Transporter for would input a site into these classes as there was not any yield. MJ confirmed the incentive is that the Shipper would be able to lower their share of Unidentified UIG which would allow them to save a lot of money.

The Chair confirmed it was the intention to discuss this modification further in the next Workgroup Meeting and compile a Workgroup Report.

#### 9. [RG005 – IGT UNC Review of Consequential Changes resulting from Faster Switching Programme arrangements](#)

The Chair advised the Workgroup that an extra meeting had been scheduled for the 14<sup>th</sup> September 2020 to review and discuss the Significant Code Review (SCR) drafting for the Retail Code Consolidation (RCC) and Faster Switching (FS) legal text changes.

The Chair noted that these documents had been published on the website under RG005. The Chair confirmed that it was the intention to go through the changes proposed before finalising the document to be presented to the Panel and then lastly Ofgem. The Chair confirmed that the impacts of Faster Switching had been identified and which elements of the IGT UNC Code the SCR would remove. .

#### 10. [Cross-Code Modification implications tracker](#)

RCL provided an overview of the updated tracker with a focus on the following Modifications:

#### **735 - The UNC changes as a consequence of the absence of trade agreements between the United Kingdom with the EU (No deal Brexit).**

RCL highlighted that this Modification was initially raised in 2019 and the IGT UNC raised an equivalent IGT UNC Modification (IGT120F). This Modification looked to align the IGT UNC with the proposed licence changes being implemented by Ofgem following the UK leaving the EU with a 'No deal'. RCL noted that a Panel Majority had determined that the Modification should be implemented provided there was a no deal Brexit. RCL Confirmed to the Workgroup that it had been discussed internally as to whether IGT120F should be revisited,

however, RCL indicated that IGT120F still fulfilled the solution and its implementation would be aligned with a government decision to leave the EU without a deal which is being finalised in December 2020, therefore IGT120F is still applicable.

#### **734 - Reporting Valid Confirm Theft of Gas**

- RCL confirmed that this Modification had been raised in the previous month and had been discussed at the Distribution Workgroup. The Workgroup were informed of the anticipated impacts of 0734 on the IGT UNC and noted the timetable for this Modification was progressing rapidly as the Proposer intended to implement the Modification in November 2020. RCL confirmed that this Modification would continue to be monitored through the UNC Distribution meeting. RCL noted that an IGT UNC equivalent Modification would likely need to be raised. ER confirmed that 0734 had CDSP impacts and indicated that as it requires system changes to be implemented it may not fulfil the implementation date of November 2020.

#### **731S - Introduction of Annual Modification Report**

- RCL summarised the intention and requirement of the Modification. RCL informed the Workgroup that the proposed changes would require an annual progress report from the UNC Chair which will be used to draw attention to different key points of collaboration between the IGT UNC and UNC. RCL acknowledged that this Modification would not have a direct impact on the IGT UNC, however, it was expected that the UNC Chair would reach out to the Code Administrator for input into their report. RCL also noted that when this was discussed at Panel, Panel were keen to explore whether the IGT UNC should have a similar report. BR queried whether this was already being done in the IGT UNC. RCL noted that the Code Administrator produces a report for IGTs only on a quarterly basis which included various element, however, currently cross-code working was not included specifically although there were touch points throughout the document. RCL noted that the report produced via UNC731S would be a public document.

#### **710 – CDSP Provision of Class 1read service**

- RCL noted that ESP had volunteered to raise the equivalent IGT UNC Modification. BR confirmed that it was ESPs intention to produce the Modification for the next Panel Meeting

on the 25<sup>th</sup> September 2020. The Workgroup discussed the time scales associated with the Modification and the proposed implementation.

RC flagged a new Modification which was raised on the 8<sup>th</sup> September, UNC0736 (Clarificatory Changes to the AQ process). RCL confirmed that this would be discussed further offline. ER confirmed that this Modification was raised by Cadent and that it had been indicated that an IGT UNC Modification would not be required, however, ER noted that as she was not the proposer of the Modification the usual checks should be carried out to substantiate this.

#### **11. [Known Issues Register](#)**

RCL noted that there were not real changes to the Known Issues Register except for the following updates:

- Panel Shipper representation was updated with notes concerning IGT140 Changes to Panel rules highlight the realised risk of non-quoracy.
- IGT131, RCL indicated that as the UNC Modification was currently still under appeal, no changes can be made to IGT131, therefore, this would remain on the register.

#### **12. AOB**

No further AOB was raised by the Workgroup.

The Chair thanked attendees for their input and closed the meeting.

**The next Workgroup meeting is scheduled for Thursday, 8<sup>th</sup> October 2020**

## Appendix A – Action Log

Action reference	Action Description	Owner	Status
<b>WS 20-09-01</b>	<b>Ellie Rodger is to consult an IGT UNC advocate within Xoserve and confirm whether Xoserve service the credit code rules between Large Transporters.</b>	<b>ER</b>	<b>New</b>
<b>WS 20/08-01</b>	Ellie Rogers to feedback to the Workgroup on how the proposed BEIS amendment is being addressed and to report on progress.	ER	Closed
<b>WS 20/07-01</b>	CG to confirm that an Xoserve Change request re IGT Asset Transfers has been raised.	CG	Open