



IGT UNC 21-08 Modification Workstream Meeting

Final Minutes

12th August 2021 via Teleconference

Attendee	Initial	Organisation	Notes
Anne Jackson	AJ	Gemserv	Chair
Heather Ward	HW	Energy Assets	
Jenny Rawlinson	JR	BUUK	
Chris Barker	CB	BUUK	
Claire Roberts	CR	Scottish Power	
Cher Harris	CH	Indigo Pipelines	Part meeting
Jaimee LeResche	JL	Xoserve	
Ashley Foster	AF	Indigo Pipelines	
Clare Manning	CM	E.ON	
Kundai Matiringe	KM	BUUK	
Evan Alaa	EA	Ofgem	
Eugene Asante	EAs	Gemserv	Code Administrator

1. Welcome and Apologies for Absence

The Chair welcomed attendees to the meeting and advised that apologies had been received from Mark Jones from ScottishPower and Cameron Bailey from Ofgem.

2. Confirmation of Agenda

The Chair confirmed the items for discussion as outlined in the Final Agenda and asked attendees for 'Any Other Business' (AOB) items.

3. Approval of the Previous Minutes 21-08

The Workgroup heard that no comments had been received on the minutes prior to the meeting. The Workgroup had no comments to add to the previous minutes and they were approved as a true and accurate record of the meeting.

4. Outstanding Actions

EAs informed the Workgroup that no actions had been recorded in the previous meeting and there were currently no other open actions.

Modification Workgroups

5. [IGT145 – Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4](#)

The Chair provided the Workgroup with a summary of IGT145 stating the modification was a UNC equivalent of UNC0664VS (Transfer of Sites with Low Valid Meter Reading Submission Performance from Classes 2 and 3 into Class 4) which had already gone through the change process as a Self-Governance modification. The Chair stated that the modification had been approved and that Xoserve were working on the assumption that IGT145 would follow. JL advised the Workgroup that the UNC Panel approved UNC0664VS on 15th July 2021 on an implementation date yet to be confirmed. JL continued that the change was progressing through from a DSC change process perspective and the final details were expected soon.

The Chair presented the proposed IGT UNC legal drafting to the Workgroup and provided a brief overview. The Chair stated the legal drafting related to Section M of the UNC under Meter Reading and will introduce an additional Clause 22 Performance Assurance: Class 2 and 3 Supply Meter Points, which points directly to the UNC for the purpose of IGT145. The Chair clarified that in section 22.1 of the legal drafting the 'User' reference in the UNC means 'Pipeline User' in the IGT UNC and after that all the other definitions are comparable. The Chair continued that section 22.2 of the proposed legal drafting concerned the arrangements in the UNC that specified what target meter reading levels should be and they are set initially through the transitional part of the UNC which the IGT UNC also points to.

The Chair confirmed that the targets would be set by the Performance Assurance Committee (PAC) which have powers under the UNC and although the PAC has no relevance to the IGT UNC it would still follow the UNC in this regard.

JR queried if the Proposer was still seeking to amend the modification in relation to the lockout period. The Chair surmised that as the Proposer of IGT145 was not present at the meeting, further discussion on IGT145 would be held at the following Workgroup meeting in September 2021 where the intention would be to review modification amendments and complete the Workgroup report. The Chair concluded that the modification could then go to the September 2021 Panel meeting so it could be consulted on ahead of October's 2021 Panel meeting where it would be voted on. JL confirmed that this timetable would not impact the delivery of the required system changes and implementation in 2021 was not anticipated.

6. IGT132VV - Introduction of IGT Code Credit rules

The Chair noted that Ofgem had sent back the Final Modification Report for IGT132VV, stating that further information and work was needed to support the modification. EAs presented the Workgroup with a recent history of the modification, the issues identified by Ofgem, the expectation and guidance from Ofgem and the proposed Workgroup activity schedule after confirming that Panel had agreed to send the modification back to Workgroup for 3 months to address Ofgem's concerns. EAs stated that the Code Administrator had discussed some initial guidance on addressing their concerns with Ofgem who advised that completing the work across 3 Workgroup's was an ideal but shouldn't be a constraint or barrier to addressing the issues. Ofgem also recommended that the Workgroup consider the scenario ranges methodology applied in a previous supplier licensing review consultation to reduce the scale of credit balances at risk of mutualisation in the event of supplier failure. EA continued that Ofgem were able to model what the preferred credit balance should be in each month in this example for small to large suppliers, using data consisting of a range of related scenarios, returned to them via an industry RFI. EAs stated that after Ofgem's guidance the Code Administrator had put forward four key questions that if answered could address Ofgem's concerns:

What are the costs of intervention?

What does credit cover currently cost the market?

Will the proposals hurt competition?

What are the risks of not doing this?

EAs concluded by presenting the Workgroup with additional sub level questions that could feed into answering the four main queries. The Chair reiterated that Ofgem essentially required more information and evidence to support the statements they had received in the FMR and posed the question of how that is accomplished to the Workgroup. The Chair referred to the scenario ranges exercise stating that looking at scenarios and applying some generic analysis of what would happen in particular circumstances might facilitate understanding about what the outcomes would be as a result of particular scenarios.

JR stated a sensible approach would be to go through the questions Ofgem wanted answered as a starting point. It was noted out that the questions presented to the Workgroup by the Code Administrator were suggested after interpreting Ofgem's expectations in the send back letter and initial discussions with the Authority who provided the additional narrative that helped to form the questions. EAs stated that the send back letter Ofgem published should contain the broader questions or issues they expect to be addressed in the revised FMR.

JR queried if the questions should potentially be split between IGT's and Shippers and if parties had to go away and gather the information required or could parties use information Ofgem had gathered themselves.

The Chair suggested specific information was required as Ofgem did not envisage obtaining the data themselves as it might not be specific enough to this scenario. JR suggested that potentially this put them back to the initial phase of this modification as they may not be able to obtain that information from parties but stated it shouldn't deter the Workgroup from trying to.

The Chair proposed making it easier for parties to respond by potentially using bandings or templates and putting forward situations and scenarios and requesting what their response would be in these circumstances. The Chair advised that these eventualities envisaged were relatively few but what actions would be taken as a result of the implementation of this model needed to be identified. For example, what would they do in that eventually and would they have to go and seek further credit cover and what cost was attached to that cover? Those were the kind of generic questions that would assist in answering Ofgem's overall concerns. CH suggested the Workgroup press ahead and start answering the questions presented. The Chair agreed that was ok to do provided the answers provided evidence for the unsupported statements in the FMR. CH stated that when answering the questions, it would be difficult to say what all Shippers and IGT's would do as it would be down to each individual's business model and it was also difficult to determine what costs could be passed to consumers.

JR queried if Shippers were to receive an RFI with questions regarding impacts of having to put credit rules in place for IGT's would they be able to respond. CL stated that they did not see why not. JR suggested going back to Ofgem to say the aim was to request evidence of costing from Shippers with the understanding there was no idea on how much evidence could be obtained. JR stated the obvious risk of not obtaining the answers was that Ofgem would send the modification back again. JR suggested carrying out that RFI exercise to see what would come back and if the evidence was not conclusive enough for Ofgem to make a decision at least the Workgroup had done everything to try to support and provide the evidence required. CH agreed the Workgroup should demonstrate it tried but didn't believe there would be many responses because of the commercially sensitive nature of the information, such as to what extent an organisation is going to pass on their business costs to end consumers.

The Chair suggested that the Code Administrator could receive that information and then either make it into a generic response or anonymise it in some way and send it to Ofgem if required. CR stated they would be happy to provide any information but would need to seek clarity internally on their position. The Chair advised the information did not need to be too specific and rather should refer to a scenario, for example how much would the model cost if implemented. The Chair advised in this example a large shipper might say their current credit cover can absorb this with no issue, whereas a medium shipper could potentially pay an extra cost with a small shipper very likely to pay an extra cost. The Chair suggested there would be different answers from different parties and the aim in relation to the scenarios is to understand how the impacts differ for the spectrum of parties. JR stated although they liked the idea of almost multiple choice answers they were mindful of the exercise becoming a tick box exercise with not a lot of thought and inaccuracies but welcomed any approach that helped get the information required.

The Chair reiterated that the message from Ofgem was that the level of input into the FMR is not sufficient, as there are statements made in the modification without supporting evidence and Ofgem want to know where conclusions came about. JR stated the work on the modification was carried out in good faith as the solution was based on Ofgem's recommendations, is already in place for other codes and the aim was to bring the IGT UNC into line. The Chair surmised Ofgem required that analysis for the iGT UNC in its own right and to have the relevant information to make their decision.

EA advised that Ofgem were not necessarily rejecting the proposal but were looking for more substantive evidence on the cost benefit analysis and to endorse the statements made. The proposer suggested that the first question of the RFI could be used to work out a worst-case scenario and make it clear that the costs should be no more than a certain amount but can be anything up to that amount and indicated, as stated earlier, different parties do things differently. CH agreed and suggested modelling three scenarios using a formula where for example a shipper with a portfolio of 50,000 supply points, a shipper with a portfolio of 10,000 and a shipper with a portfolio of 500, where the ballpark costs of them failing to IGTs could be considered. CH continued that would show to what extent the IGTs are exposed financially. CH added shippers could also reply to the RFI, providing a ballpark figure to understand if their costs can be absorbed or not.

The Chair queried was the exposure to IGTs unlimited, in the sense that the debt could build and build or was there anything about the current code arrangements, or their own network code arrangements that could prevent that debt increasing. JR responded that they had the same ability to apply sanctions as the UNC, but they were not as familiar in applying them as the Gas Distribution Network companies (GDN's) because they have not needed to in the past to a great extent. JR continued that best practice was to ensure that no debt continued to build without taking some course of action.

The Chair stated, after speaking with the Proposer, their understanding that shippers can potentially be stopped taking on new sites, but obviously IGT's would need to continue transporting for existing sites. The Chair then queried if you stopped shippers gaining new sites could the debt continue on a monthly basis for existing sites. JR agreed with both assumptions. The Chair advised that is different from the GDN's in that the invoices have to be paid and that if you query an invoice they still have to be paid. JR stated the principle was the same for the IGT's if an invoice has been queried it is only the amount in query that can be withheld but the rest of the invoice had to be paid.

The Chair continued that an understanding of how big the risk could be was required. The Chair queried what would be the outcome of a shipper in the market that decides to continue paying the GDN's invoice, but not the IGT's invoice.

JR stated the intention should be to send RFI to IGT's also to get views from all parties. Chair reiterated that the scenarios needed to be understood to get the picture of what the risk being mitigated was and then how much would it cost. JR suggested applying the same approach for the IGT's as suggested for shippers in relation to portfolio size so the IGT's can return the same information as the Shippers.

The Chair surmised that figures around the risks that were being mitigated were needed and then an understanding of the costs of trying to mitigate them were needed. The Chair agreed an RFI would be needed for both IGT's and shippers. The Chair suggested the IGT's would provide an understanding of the risk being mitigated while the shippers could help with the costs of implementing the modification so there were two strands to what was required. The Chair queried if the Workgroup would like to agree the questions for the RFI during this session or the next. JR suggested the best approach would be to agree them now instead of pushing it to the next Workgroup.

The Chair asked the Workgroup in the relation to the IGT's and shippers what sort of questions were they thinking. The Workgroup discussed the various related points and agreed on the following questions for the RFI:

RFI Questions for IGT's:

- How long could debt build up for?
- What is the value at Risk?
- Is it just the existing portfolio that debt can build upon?
- Can you cease new debt building up by restricting portfolio or preventing new supply?
- How many supply points from each shipper?
- How much they charge each shipper? (Deemed commercially sensitive)
- How big is the risk?
- What types of cover are they likely to apply?
- If the risk came to fruition and credit cover is not in place how would an IGT respond?
- What are the impacts of shipper failures?
- How many more IGT's would be likely to implement credit cover under new rules?
- Will the proposals hurt competition and if so how?
- What does the failure of an IGT mean to the market?

RFI Questions for shippers:

- What's the cost of putting in place credit rules?
- What is the cost of the credit?
- What type of cover is in place?
- Do different types of cover incur different costs?
- What is the cost per IGT?
- What set up costs could filter through to the consumer/customers/clients?
- What on-going costs could filter through to the consumer/customers/clients?
- Any other costs?
- What factors are affecting efficiency?
- What element of cost is smeared?
- Which IGT's are more likely to implement credit cover arrangements?
- What is currently paid for credit cover for the GDN's?

- What are the costs per credit type?
- Will the proposals hurt competition and if so how?
- Do smaller shippers face the same or different costs under the new proposals?

The proposer recommended that the Code Administrator could use the IGT supply point information provided to form a benchmark average among the IGTs and shippers could be described by banding the number of supply points. The Chair agreed with this approach stating the shippers could be divided so there were the same supply points in each group and then note the range that it covers.

The Chair reassured parties any commercially sensitive sent would be kept confidential by the Code Administrator and then after this analysis presenting the information generically the data would be destroyed. AF suggested ensuring the data collated was from the same point in time, so for example the next billing run. The Chair agreed that they should be seeking the monthly charges, or a monthly charge for a shipper. The Chair suggested requesting a month's worth of charges, in terms of the worst-case scenario for the shippers, might not be suitable as they might not be reflective of a 'usual' month. For example, the COVID-19 months may show different results. JR stated any questions should come with a caveat to include any additional information leaving it open for parties to respond with anything the Workgroup hadn't thought of.

The Chair confirmed that the Code Administrator would write up a questionnaire then the Workgroup could authorise for it to go out. JR agreed with this approach but added it would be worth cross checking with the Ofgem questions to ensure everything was covered off. The Workgroup agreed for the Code Administrator to draft the RFI to review at the September 2021 Workgroup meeting before issuing for a 3-week consultation period. The Chair clarified the timeline stating the RFI could be issued on the 10th September for three weeks until 1st October. This would allow the workgroup to review the outputs of the RFI at the third Workgroup meeting on 15th October 2021. The proposer requested the third workgroup be moved to November as they could not attend in October but indicated they were happy for the Workgroup to continue in their absence if required. The Chair acknowledged the request confirming the 3-month period should not be a barrier as Panel required an update in October. The Workgroup walked through all the initial questions presented by the Code Administrator to understand if any additional questions were required for the RFI. After this exercise the Workgroup were satisfied the correct questions had been captured for the RFI.

WS21-08-01: Code Administrator to consolidate agreed RFI questions and present them to the Workgroup ahead of the next meeting in September 2021.

IGT157 - Adding the Local Authorities as a new User type to the Data Permissions Matrix (DPM)

The Chair introduced IGT157 stating the aim of session was to walk through and complete the Workgroup Report. The Chair advised the Workgroup would be going through all the aspects of the modification to ensure everyone understood all the elements and implications before adding in the Workgroup's views as they went along. The Chair clarified that the idea was for the modification to go to the IGT UNC panel in August 2021, then out of consultation before coming back to Panel for a decision in September 2021. The Chair queried at what stage in the change process the UNC equivalent was at. JL confirmed the UNC workgroup report is going to the UNC August panel. The Workgroup were advised that UNC Modification 0769 was likely to go out for consultation on the 19th August 2021 so the IGT UNC modification is keeping track and running parallel with the UNC.

The Chair proceeded to step the Workgroup through the Workgroup Report starting with the Governance section. The Workgroup confirmed it supported the proposers view that the Modification is an enabling Modification and will not impact competition, discriminate between users, or have a negative impact on consumers. The Chair asked the Workgroup on their views on the Solution. The Workgroup agreed the solution met the requirements of the Modification to add Local Authorities to the Data Permissions Matrix. The Chair walked through modification's Impacts and Other Considerations asking for the Workgroup's thoughts. The Chair presented the Consumer Benefit Areas table for the Workgroup to complete. The Workgroup believed there was no impact to 'Improved safety and reliability'. In relation to the 'Lower bills than would otherwise be the case' area the Workgroup believed the specific use cases that will be requested by Local Authorities will be in support of the Local Authorities Net Zero targets as any scrutiny of energy efficiency and carbon consumption is likely to lead to a reduction in usage which the Workgroup felt would lead to lower consumer bills thereby having a positive impact. For the 'Reduced environmental damage' area the Workgroup believed that any reduction in carbon usage will have a positive impact on the environment by lowering greenhouse gas emissions. The Workgroup believed there was no impact on the 'Improved quality of service' area. For 'Benefits for society as a whole' the Workgroup felt that any positive impact on the Net Zero target for the U.K. will have a benefit to society as a whole.

For Cross Code Benefits the Workgroup believed that the modification related to the UNC Modification 0769 and it was not dependent on it. The Workgroup agreed it would be beneficial to implement both modifications at the same time, but this modification can be implemented independently of the UNC modification. In relation to the Environmental Impacts the Workgroup believed that the LAs intend to obtain data to support their Net Zero targets and any reduction in Carbon usage will have a positive impact on the environment by reducing greenhouse gas emissions. The Chair presented the Relative Objectives for the Workgroup to consider. The Workgroup felt the modification had a positive impact on Relevant Objective (F), 'Promotion of efficiency in the implementation and administration of the Code' and agreed with the reasons offered by the proposer. For the modification implementation the Workgroup agreed that the implementation should be aligned

with equivalent UNC Modification 0769. In regard to the Legal Text the Workgroup were satisfied that the Modification did not require legal text as IGT157 was an enabling Modification. The Chair asked the Workgroup if they were happy to recommend to the August 2021 Panel that the Modification should proceed to consultation. The Workgroup agreed that a standard 3-week consultation period was appropriate for this modification.

There were no further comments, so the Chair closed this section of the meeting.

7. [IGT154 – Introducing the concept of a derogation into the IGT UNC for Net Zero innovation project](#)

The Chair introduced IGT154 stating the Workgroup would start this item by going through the amendments the Proposer had made to the modification. The Proposer advised the Workgroup they had made a few minor tweaks to the solution stating the changes were mostly additional detail or additional clarifications rather than changing the principles of what the model is trying to do, and the changes were as a result of discussions at the UNC work group. The Proposer continued that the UNC equivalent modification, UNC0760, had suddenly seemed to become more urgent and was going to the UNC panel in August 2021 with the intention of it being sent out for consultation before returning to the UNC Panel in October 2021. The Proposer suggested using the next workgroup to sort out the legal text and finalise the Workgroup Report before getting that to the IGT UNC panel in September. The Proposer continued that this could mean a slightly shorter consultation period to get this modification back aligned in October with the UNC modification.

The Chair advised that the UNC panel will be on the last Friday of October and confirmed that this would mean there was enough time for a three-week consultation between the September panel and the October panel. Therefore, both the UNC and the IGT UNC Panels will be considering their final decision on each modification at the end of October. The Proposer thanked the Chair for that confirmation then proceeded to take the Workgroup through the modification amendments.

The proposer stated the first change was to business rule 8 as primarily there had been a lot of discussion at the UNC meeting about the basis on which the panel is going to make a decision as to whether to approve or reject a derogation. The proposer confirmed the amendment was a copy from the UNC proposal to say this is the basis on which the panel will make a decision. The problem was, for a derogation, that the relevant objectives are not necessarily applicable, although impact on consumers, competition and the other parties were the things that should be considered in determining whether to accept or reject a derogation.

The proposer highlighted the next change to the modification was the addition of section 13, which was adding detail. The proposer advised that there may be circumstances where a derogation is dependent on other approvals, for example a licenced derogation or safety case derogation, so business rule 13 was added to stop getting into a situation where a derogation is hanging around and never actually implemented. The rule essentially provides the power to null and void the derogation for an appropriate

period of time until there is progress. The proposer continued with business rule 19. Again, this allows the panel to rescind a derogation order if granted if there was no progress towards the goal. The rule also relates to scenarios where a party is in breach of the derogation conditions, in which case, the panel can rescind the derogation with immediate effect.

The proposer confirmed they had not heard anything back from Ofgem, regarding the question of whether the code administrators should be able to charge if they incur material costs in implementing the derogation. The proposer stated they were interested in the Workgroup's views as to whether they felt that detail should be left in the modification. JR queried if this rule was in the UNC equivalent UNC0760 or specifically for IGT154. The proposer confirmed that this was to cover an instance of somebody wanting a derogation from the IGT UNC and Gemserv as the Code Administrator incurring significant costs in supporting that. The proposer continued that the UNC has different regulatory arrangements to the IGT's, and they put the rule in because there may be circumstances when, potentially, an IGT or another party wants to do something, which is complicated and then the expense incurred may not benefit everybody. JR queried if the proposer was thinking of providing more criteria and also asked would that require a contract change to the Code Administrator contract. The proposer questioned was the code the appropriate place for that rule to be added or should it be parked in the Code Administrator contract. The Chair suggested adding the detail to the code and to base it on something evidenced or a threshold that could be applied to, for example after a certain number of iterations. The Chair continued that in essence the cost could be picked up to a point until it becomes excessive or unexpectedly high. It was acknowledged by the Workgroup that this would be a new concept. The proposer asked would it be better to take it out of the code and out of the modification for simplicity and raise a modification in the future if deemed necessary. JR asked if the detail was left out and a party applies for a derogation, the code would be carried out and it would have to be facilitated regardless of cost, who picks up costs and where that lies. JR suggested putting something into the modification but keeping it loose, so it was more about if a party, whether it's an IGT or a shipper, continues to apply for a derogation around the same obligation and is causing the Code Administrator additional work, the cost of that work would be covered.

The proposer advised that in the business rules in the legal drafting there is detail whereby you cannot resubmit a derogation request to deter a party from continuously raising. Unless you have materially changed it and it has been rejected, you can appeal to Ofgem. If Ofgem also reject it that is the end of the matter unless there's a material difference.

The Chair added there could be a situation where there are several iterations of the same request because it is ill thought through which would be onerous for the panel to keep considering. So, you would end up with a potential issue whereby this kind of iterative process keeps recurring over and over again because the raising party isn't being diligent in terms of their request. The proposer suggested that the Code Administrator seek approval from the Panel to recover those costs from the applicant. JR asked how is this different to any party raising a change request or modification. The Chair highlighted the processes were similar in essence in that there is a lot of the information being sought, however there is not a template in that sense. The Chair advised the process was not as structured and it did

not lead parties in the same way a modification process does in terms of supporting you as an individual, to put the right arguments forward and consider the relevant objectives. JR asked does that structure for derogations need to be in place. The proposer responded that in terms of structure within the guidance document they had provided a form to fill for the process and they were seeking the views on it. The Chair highlighted that the point of the workgroup was to provide feedback as the views will help refine the modification and ultimately for all users of the code, meets their needs and is fair and balanced. The Chair continued any contributions to help the proposer Heather would be appreciated in terms of workgroup development and assistance.

JR expanded on the proposer's suggestion regarding panel having a continuous view of the derogation cycle, stating it should necessarily be down to cost recovery, but also where a derogation request doesn't meet the requirements it can be referred to panel for a view and to deal with on a case-by-case basis, however they would need to be consistent. The proposer suggested in those circumstances the Code Administrator would inform panel how much time and effort were used in that particular case. The proposer stated they would have a think about the correct wording for that section. The Chair advised that if there was something controversial in a modification, Ofgem might actually like all of it, but may not approve it due to the controversial element. The Chair suggested splitting the modification might be the way forward to reduce the risk of Ofgem sending the modification back. The proposer stated they would chase Ofgem again for a view on whether the code administrator's costs could be recovered for administering derogations.

The proposer discussed the final amendment to the modification relating to the 'Net Zero Innovation Use Case' section, stating the change had been made to align with the definition of Net Zero within the UNC. The proposer concluded there were a few bits and pieces that they picked up as part of the legal drafting that needed to go back into the business rules, but they hadn't had time to review the legal drafting properly. The Chair stated they would be working together with the proposer on aligning the legal text and business rules. JL stated that it was agreed after UNC discussions that the Central Date Services Provider (CDSP) would be part of the impact assessment for any derogation request, and they would like to keep them in there from an IGT perspective. The proposer confirmed the CDSP was already included in the impact assessment.

The Chair took the Workgroup through the legal drafting to explain how it was designed as the legal drafting had not been available for the full week so parties might not have had a chance to look at it. The Chair advised that the IGT Innovation Derogations Guidance presented was going to be an ancillary document and is therefore listed under Appendix K-2. This meant that the guidance document will need a modification to amend it in the future.

The Chair confirmed they were proposing a completely new Part O for derogations, and although not shown here the intention was to indicate in Section L, which was essentially about the modification panel and panel business, that they would be adding in a clause that indicates that a new responsibility for panel will be towards derogations as well. The Chair continued the voting mechanism and all that is applicable about Part L, will apply when the panel is making decisions on derogations. The Chair

advised in Part O and there is an introduction to the section which essentially lays out there, all the areas that are going to be covered in the subsequent sections:

- (a) provisions relating to application and implementation of IGT UNC derogations.
- (b) provisions relating to IGT UNC derogation appeals.
- (c) provisions relating to IGT UNC derogation impacts.
- (d) provisions relating to UNC derogation impacts.
- (e) provisions relating to derogation reporting and cessation; and
- (f) derogation use cases.

The Chair pointed out in relation to use cases that there was currently only one use case at the moment but others, could be added via raising a modification. The Chair elaborated on the interpretation section, stating that essentially this segment followed what the UNC legal drafting was doing to make it simple for parties as the definitions are essentially the same. The Chair confirmed that the whole section was being replicated in the IGT UNC, but it was not pointing at the UNC and it was there in its own right. For simplicity and for ease of reference for parties trying to navigate this, they essentially look the same as the definitions are all the same but are related to the IGT UNC. The Chair completed going through the sections of the legal drafting as listed before asking the workgroup if they had any questions. The Workgroup had no questions. The Chair reiterated that they would be working with the proposer to marry up the business rules against the legal text to ensure everything was covered and that analysis was available for the next meeting. The Chair stated they wanted to provide the workgroup with confidence that the solution along with the legal drafting was appropriate and reflective of the solution.

The Chair asked the Workgroup if they were happy to attempt completing what they could of the Workgroup Report, to which the Workgroup agreed. The Chair stepped the Workgroup through to add comments to the following Workgroup Report sections:

- Governance
- Impacts & Other Considerations
- Relevant Objectives
- Implementation

The Working group agreed to complete the remainder of the Workgroup Report, including the solution and legal text, at the September 2021 Workgroup meeting. The Code Administrator agreed to take an action to provide the Workgroup with a historical summary of discussions in preparation to fully complete the Workgroup Report at September's meeting.

WS21-08-02: Code Administrator to provide summary of discussions on IGT154 to Workgroup ahead of the September 2021 meeting.

The Chair asked the Workgroup if anything fresh needed discussing, for example, the elements that the proposer added, as they had already discussed the cost side of things. The Chair suggested the cost conversation should be recorded in the Workgroup report on the assumption the costing element remained in the modification. The Chair advised that for the next meeting, the state of the mod needed to be static. The Chair stated the final modification report would be going forward to Panel so that they are aware of what it looks like in its entirety which gives stability for the legal drafting. The Chair stated whether the clause relating to costing, or that business rule remains in or out of the modification would need to be decided before the next meeting. The proposer stated they believed the costing detail was the only controversial element of the modification and that they may need to add one or two additional business rules in the text. The Workgroup discussed the implementation and the options available splitting the mode to remove the dependency on the UNC modification as it was believed that if UNC modification is not approved by the Authority then the IGT UNC modification as a dependant modification should also not be approved.

The Chair stated the Workgroup Report can indicate that the Workgroup have focused on the modification and what the modification delivers, but recognise that the use cases themselves, i.e., how the derogation might be used could bring a number of positive benefits. The workgroup concentrated on the delivery aspect. The Chair stated this could be clarified with Ofgem when they receive the report as that should provide the context required. The Chair closed this segment of the meeting confirming IGT154 would be discussed further at the September 2021 Workgroup meeting.

Standing Items

8. [Cross-Code Modification Implications Tracker](#)

EAs advised that there were no new updates or new additions to the Cross-Code Modification Implications Tracker prior to the meeting.

9. [IGT UNC Known Issues Register](#)

EAs provided the Workgroup with an update on the following issues:

Panel Shipper Representation

EAs advised that the IGT UNC Code Administrator was currently seeking nominations for three Pipeline User representatives for the IGT UNC Panel. The deadline for nomination submissions was 23rd August 2021. New representatives may be able to take their positions from the September Modification Panel meeting on 24th September 2021 or a month later if an election is to be held. EAs advised that an election will take place if more than three nominations are received.

Metering arrangements within the IGT UNC

EAs advised the Workgroup that the metering arrangements for the IGT UNC in the Retail Energy Code (REC) had now been published hopefully providing certainty and that this will not be an issue in the future. The Chair asked that because this was an issue that had been raised, was the information that

had now been published, sufficient to allay any fears or is there a code requirement or an issue that required looking at that is now relevant based on the detail within the REC clarification. The Chair stated they would give the Workgroup time to consider it and look at that issue again at next month's meeting. The Chair continued they did not expect answers immediately, but it would be recorded as a potential risk.

The Chair advised that with the new metering arrangements being published, the Workgroup should be mindful that the provisions that were put in the SCR Modification (IGT156) drafting, were based on what was known at the time. The Chair advised if there were any issues that are identified as a result of that publication, they needed to be identified to understand the implications of those. CM asked if going forward the Workgroup would be reviewing the REC change log. The chair advised that there was a cross code group, which were carrying out an additional strand of work as the REC are responsible for organising and getting all the codes together to review every modification that is raised through any of the codes, to understand the Cross Code implications. The Chair confirmed the group was the Cross Code Steering Group (CCSG) which were trialling some mechanisms and processes to support that work and met on a monthly basis.

The Chair advised that the CCSG had met to review all the mods and determine whether are implications, which was basically practising for the implementation of the upcoming SCR changes in all codes. The Chair continued that new requirements in the code were being implemented to identify the lead code where Cross Code implications are identified when reviewing modifications. The Chair confirmed that IGT156 had been approved by Ofgem and that Ofgem were due to provide a designated date but as of now the steer from Ofgem had been no earlier than 1st September 2021 for implementation

The Chair advised that on the designated date the Code Administrator would be implementing a new code release.

There were no further comments, so the Chair closed this section of the meeting.

10. AOB

UNC0734S - Reporting Valid Confirmed Theft of Gas into Central Systems and Reporting Suspected Theft to Suppliers

The Chair introduced the AOB item stating the update had been received from colleagues from the Supply Point Administration Agreement (SPAA).

The Chair advised that UNC0734S had been stabilised and that the legal text was in production. The Chair continued that as the legal text was now being developed it needed to be decided whether the IGT UNC should include this modification into the code in the same way. The Chair highlighted that the options for the IGT UNC were to put nothing in the IGT UNC, signpost to the UNC from the IGT UNC or replicate the text in the IGT UNC. The Chair confirmed their understanding the modification was

about ensuring that suppliers who found theft reflect the discovery in gas settlement and that what is found marries up to what is recorded at the retail end of the process.

JR stated it made sense for the modification to be replicated within the IGT UNC, however queried was there any text at the moment, that meant it automatically pointed across without the change because that had happened in the past. The Chair agreed it had happened in the past but stated the legal text wasn't available as yet. The Chair agreed to look at the implications and speak to the proposer of UNC 0734S to understand if they were willing to raise an IGT UNC equivalent modification and noted that the Workgroup consider another proposer would be required otherwise. The Chair advised UNC 0734S was a self-governance modification that had taken a long time to develop so encouraged the Workgroup to look it up under the UNC for the exact details. JL stated that the DSC XRN Reference for UNC 0734S was XRN5236 if any parties were interested.

There were no further comments, so the Chair thanked attendees for their input and closed the meeting.

The next Workgroup meeting is scheduled for Thursday, 9th September 2021.

Annex A – Action Log

Action reference	Action Description	Owner	Status
WS 21-08/01	Code Administrator to consolidate agreed RFI questions and present them to the Workgroup ahead of the next meeting in September 2021.	CA	Open
WS 21-08/02	Code Administrator to provide summary of discussions on IGT154 to Workgroup ahead of the September 2021 meeting	CA	Open