

IGT UNC Modification Panel Meeting

Final Minutes

Friday 24th March 2023

Via teleconference

| Attendee | Initials | Organisation | Representing | Notes |
|-----------------|-----------------|--------------------------|---------------------|---------------------------|
| Anne Jackson | AJ | Gemserv | Code Administrator | Chair |
| Cher Harris | CH | Indigo Pipelines | Pipeline Operators | |
| Claire Roberts | CR | Scottish Power | Pipeline Users | |
| Isaac Moore | IM | Gemserv | Code Administrator | Secretariat |
| Jenny Rawlinson | JR | BUUK | Pipeline Operators | |
| Richard Pomroy | RP | Wales and West Utilities | Observer | Distribution Network (DN) |
| Stuart Monk | SM | MUA Group | Pipeline Operators | |
| Talia Lattimore | TL | Gemserv | Code Administrator | |

1. Welcomes and Apologies

The Chair welcomed the Panel to the reconvened meeting. The Chair noted that following the ongoing quoracy issues the Panel faces, the Code Administrator (CA) had opened a meeting prior to this and held that open for one hour as per Code rules (Part L6.10). There were apologies from Jennifer Semple (Ofgem).

2. Confirmation of Agenda

The Chair confirmed the items for discussion as outlined in the Final Agenda. The Panel were invited to add any items for AOB, but there were no additional items added.

3. Approval of the previous minutes (23-02 and 23-02 Reconvened)

The CA invited comments on the February 2023 meeting minutes noting that Jenny Rawlinson (JR) had submitted comments. These were regarding [IGT163 – Code Credit Rules housekeeping updates following IGT132VV approval](#), and the explanation that the Modification could mitigate the risk of organisation failure and could provide an incentive for parties to keep a strong credit rating and have more robust financial processes in place. Panel Members considered and agreed with the changes to the minutes. The minutes (both standard and reconvened meetings) were approved unanimously as a true and accurate account of the meetings.

4. Outstanding Actions

The Chair informed the Panel that there were no outstanding actions.

Modification Business

5. [IGT163 – Code Credit Rules Housekeeping updates following the approval of IGT132VV](#)

Summary

JR gave a brief overview of the Modification and provided a summary of the discussions at the March Workgroup meeting. They reiterated the three aims of the Modification:

- specify that IGT132VV is to be applied to Transportation charges only;
- replace Graydons with Creditsafe; and
- rectify some typos that were raised by Ofgem in their decision letter for IGT132VV.

TL gave an overview of the content within the Workgroup Report and the Draft Modification Report (DMR).

Governance

TL informed Panel that at its previous meeting it agreed that IGT163 met the Self-Governance criteria. From a Governance perspective, TL reiterated the Proposer's rationale that this Modification was unlikely to have a material impact on consumers or discriminate between parties. TL noted that the Workgroup agreed with the rationale as set out by the Proposer and the fact that the Modification met the Self-Governance criteria. TL asked if the Panel still believed that the Modification meets self-Governance. The Panel unanimously agreed that the Modification should continue to proceed under Self-Governance.

Impacts

TL told Panel that the Proposer and the Workgroup did not identify any impacts on any Significant Code Review (SCR) or industry projects. Nor did they identify any impact on the consumer experience. TL reminded Panel of a minor change to the list of Cross Code impacts, which was agreed in the last Panel meeting. They noted that the Workgroup agreed that these were accurately reflected when considering the Modification.

TL asked if there were any further comments or questions about the impacts. None were raised. The Panel agreed unanimously that the impacts were accurate and no further work was required by the Workgroup.

Relevant Objectives

TL reminded Panel that the Proposer cited a positive impact on Objective (F) "Promotion of efficiency in the implementation and administration of the Code". The Workgroup agreed with the positive impact on (F), for the reasons given by the Proposer. TL asked if there were any comments or disagreements with a positive impact to (F). The Panel agreed unanimously that the Modification would have a positive impact on Relevant Objective (F) for the reasons given by the Proposer.

Implementation

TL reminded Panel that the Proposer recommended that this Modification be implemented at the same time as IGT132VV. They noted that IGT132VV is currently scheduled for implementation in June 2023. TL asked if the Panel had any comments on the proposed implementation approach. The Panel agreed unanimously to the proposed implementation approach.

SM asked in what circumstances could a Modification's implementation date be pushed back. TL informed SM that there are a number of circumstances that could impact an implementation date. For example, there could be an error in the drafting for a Modification and implementation needed to be paused whilst another Modification was raised to alter the drafting. You could have an IGT UNC Modification that is dependent on a UNC Modification and the UNC change their implementation date for that UNC Modification. TL also noted that a Modification could be dependent on system changes being made by the Central Data Services Provider (CDSP) and as they determine the implementation approach via the DSC Change Process, the dates could be changed should a system go live date be changed.

The Chair added that implementation decisions for Modifications fall within the remit of the Panel, so they can decide if dates need to be changed for an IGT UNC Modification. SM thanked TL and the Chair for the clarification.

Legal Text

TL informed the Panel of the approach to the Legal Drafting, noting that the black text is the approved Code changes for IGT132VV with the new amendments for IGT163 being added in red.

TL asked if there were any questions regarding the Legal Drafting. None were raised. They asked if there were any disagreements on the Legal Drafting delivering the intent of the Solution. None were raised. The Panel unanimously agreed that the Legal Drafting delivers the intent of the Modification's solution.

Recommendations

TL presented the Panel with the proposed recommendation that this Modification be issued for consultation for a period of three weeks. TL clarified the remaining timetable for this Modification.

The Panel considered the recommendation and unanimously agreed that this Modification should be issued for a three-week consultation.

6. [IGT164 – Alignment with DCP349 and Provision of Unsecured Credit](#)

Summary

JR gave an overview of the Modification, noting that no issues were raised at the March Workgroup meeting. They added that because IGT132VV is based on DCUSA Code rules, changes from DCP349 need to be made to the IGT UNC Credit rules. Prior to the DCP349, any Supplier or Shipper that had no Credit Rating would be able to build up Credit Assurance by way of good payment history.

This could be for a period of up to 5 years. JR described this as a glidepath. When DCP349 was raised, members realised that this was not good practice, because a Supplier could fail at any time. These Credit Rules gave no assurance to the IGTs. DCP349 reduced the period from 5 years to 3. After the 3-year period, the Credit rating starts to decrease. This was to incentivise parties to obtain good credit ratings from a recognised provider, such as Moody's and to have more robust financial processes in place.

The Chair thanked JR. TL asked if there were any questions on the Modification. None were raised. TL took the Panel through the content of the Workgroup Report and the DMR.

Governance

TL informed Panel that the Workgroup had discussions regarding a potential positive impact on consumers from this Modification. They also noted some concern as to whether there would be a larger impact felt by smaller Suppliers. It was noted that any party, whether big or small, would be impacted in some way. There was some debate over the size of a party and how that would change the scale of the impact. In the end the Workgroup agreed that the impacts to smaller parties was not necessarily detrimental and they felt that this Modification should remain a Self-Governance Modification. TL asked the Panel for their views on governance. The Panel unanimously agreed that the Modification should continue to be progressed via Self-Governance.

Impacts

TL informed the Panel that the Workgroup discussed the impact of the Modification with regards to the incentives put in place to reduce the risk of failure to parties. The Workgroup considered DCP349 and examined good payment performance.

The Workgroup agreed that the Modification would have a potential positive impact on consumers, specifically with regards to potentially lowering bills as any failure of a party would introduce costs. This Modification would introduce more incentives for good credit which would have a positive impact on consumers.

TL asked if there were any questions or disagreements with regards to the impacts. None were raised. The Panel agreed unanimously that the impacts were reflective and therefore, there was no further work required.

Relevant objectives

TL informed Panel that the Proposer highlighted a positive impact on Objective (F) "Promotion of efficiency in the implementation and administration of the Code". TL asked if there were any disagreements. None were raised. Panel agreed unanimously that this Modification would have a positive impact on Relevant Objective (F).

Implementation

TL told the Panel that the approach from the Proposer was to share the implementation date of IGT132VV but recognised when the Modification was raised the Proposer acknowledged in their timetable that there could be additional Workgroup discussions regarding DCP349 which could cause delays. The Proposer added that as long as the Modification was implemented no more than 24 months after IGT132VV, the credit rules would not be impacted. TL noted that the Panel initially agreed with the original proposed implementation approach and added that, due to the quicker than anticipated progression, they felt that the Modification should be targeted for implementation with IGT132VV. TL asked Panel if they agreed with this implementation approach. Panel agreed unanimously to the revised implementation approach.

Legal Text

TL gave a reminder of the approach, noting that the baseline text in black is the approved IGT132VV drafting and the red text is the amended text from IGT164. TL asked if the Panel had any questions on the Legal Drafting. None were raised. The Panel agreed unanimously that the Legal Drafting delivers the intent of the Modifications solution.

Recommendations

TL presented the Panel with the proposed recommendation that this Modification be issued for consultation for a period of three weeks. TL clarified the remaining timetable for this Modification.

The Panel considered the recommendation and unanimously agreed that this Modification should be issued for a three-week consultation.

Authority Updates

7. Authority Updates

The Chair provided an update on behalf of Jennifer Semple, Ofgem:

“Our energy code reform call for input closed on 1 February. [We have placed the non-confidential responses on our website](#). We are currently reviewing responses and will keep you updated on future engagement in key policy areas during Spring/ Summer.”

The Chair asked if the Panel had questions for the Authority. None were raised.

8. Ofgem’s Expected Decision Dates

The Panel were directed to Ofgem’s latest Expected Decision Dates which were published on 17th March 2023. The table stipulated that there were no new decisions with regards to IGT Modifications.

AOB

The Chair asked if the Panel had any items for AOB. The Panel had no items.

9. Ofgem Code Administrator Survey

TL presented an additional item for AOB. They informed the Panel that Ofgem had written to the Code Administrator to confirm that it did not intend to run a Code Administrator Survey this year. They added that Ofgem recognised how busy industry parties were at the moment and noted that they were focused on the delivery of Code Reform.

The Chair added that the IGT UNC Code Administrator would look to consider running their own survey this year.

The next IGT UNC Panel meeting is scheduled for 28th April 2023.

Annex 1 – Actions Table

| Reference | Date | Action | Owner | Status |
|--|------|--------|-------|--------|
| <p>There are currently no open Panel actions.</p> | | | | |