

## IGT UNC 25-03 Modification Workstream Meeting

### Draft Minutes

Thursday 13<sup>th</sup> March 2025 via Teleconference

| Attendee          | Initial | Organisation     | Notes              |
|-------------------|---------|------------------|--------------------|
| Anne Jackson      | AJ      | Gemserv          | Chair              |
| Charlotte Gilbert | CG      | BUUK             |                    |
| Cher Harris       | CH      | Indigo Pipelines |                    |
| David Morley      | DM      | Ovo              |                    |
| Ellie Osobina     | EO      | Ofgem            |                    |
| Josie Lewis       | JL      | Xoserve          |                    |
| Kathryn Adeseye   | KA      | Xoserve          |                    |
| Lee Greenwood     | LG      | Centrica         |                    |
| Lydia Bentley     | LB      | Gemserv          | Code Administrator |
| Michelle Brown    | MB      | Energy Assets    |                    |
| Talia Lattimore   | TL      | Gemserv          | Code Administrator |
| Harry Firth       | HF      | Gemserv          | Secretariat        |

#### 1. Welcome and Apologies for Absence

The Chair welcomed attendees to the meeting and noted there were no apologies received.

#### 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. The Chair added Item 9 – Lydia Bentley.

#### 3. Approval of the Previous Minutes 25-02

HF informed the Workgroup that no comments were received for the draft 25-02 Modification Workstream meeting minutes prior to the meeting. The Workgroup had no comments to add to the minutes at the meeting and they were approved as a true and accurate record of the meeting.

#### 4. Outstanding Actions

TL informed the Workgroup that there were three outstanding actions as follows:

- **25/02 – 01: Code Administrator to write to Parties for information on any difficulties faced when implementing IGT173.** TL advised that the Code Administrator did write out to Parties ahead of the February Panel meeting. They added that the Code Administrator issued a Request for Information (RFI) to all IGT UNC Parties on behalf of the IGT UNC Panel to allow it to gain a further understanding of the difficulties faced when implementing IGT173. TL added that the deadline for responses to the RFI is 19<sup>th</sup> March.

Action closed.

- **25/02 – 02: Code Administrator to write to IGTs and the INA regarding the impacts of UNC0884 on the IGT UNC Must Read process.**

TL advised the Code Administrator did write to IGTs and the Independent Networks Association (INA) regarding the impacts of UNC 0884. TL added that the Code Administrator received confirmation that UNC 0884 was brought up at the last INA regulatory meeting.

Action closed.

- **25/02 – 03: Code Administrator to write to all parties and reach out to the impacted IGT and Shipper in relation to raising an IGT UNC Modification to facilitate UNC 0887.**

TL advised that after the February Workgroup meeting, a Sponsor came forward with the intention of raising an IGT UNC Modification to facilitate [UNC 0887 - Facilitating Bi-Directional Connections Between IGT Pipelines and the NTS](#). The Code Administrator (CA) and the Party have begun working on this Modification and are aiming for it to be raised ahead of the March IGT UNC Panel meeting. As a result, the CA did not issue the note to industry Parties.

Action closed.

## **MODIFICATIONS**

### **5. [IGT165 – Independent Shrinkage Expert and Independent Shrinkage Charge](#)**

TL presented a revised version of the IGT165 legal text to the Workgroup. TL added that the Independent Shrinkage Document had been defined within the legal drafting and the title and references in the new Section FI had been updated from Shrinkage Model Error to Independent Shrinkage Expert (ISE) where appropriate. KA asked if the Independent Shrinkage Charge (ISC) needs to be defined within the IGT UNC. TL responded that the ISE is already defined within the Transportation Principal Document (TPD) Section N of the UNC, which the IGT UNC directly references and so there will be automatic application. DM and KA suggested minor amendments to the IGT165 legal drafting.

TL took the Workgroup through the Workgroup Report, noting that all conversations on this Modification since IGT165 was first brought to Workgroup have been captured in the report. TL noted that [UNC 0843 - Establishing the Independent Shrinkage Charge and the Independent Shrinkage Expert](#) is planned to return to the UNC Panel in April. TL added that given that UNC 0843 is setting out the framework for IGT165, the Code Administrator suggests that IGT165 is only returned to the IGT UNC Panel once the UNC Panel has agreed to progress UNC0843 to consultation. TL advised that the timelines for IGT165 had been updated, with an aim to take the Modification to the April IGT UNC Panel meeting and then out for a standard 3-week consultation, before returning to IGT UNC Panel in May. TL added that there should be some overlap in the consultations.

KA asked about the commentary of all the past IGT165 discussions held in IGT UNC Panels and Workgroups included in the Workgroup Report. TL responded that this commentary had been taken

from the meeting minutes, but with minor amendments to name groups of IGT UNC Parties (i.e. IGTs, Shippers, CDSP) rather than individuals. KA advised that they would review the commentary to ensure that the CDSP comments are still correct. TL noted that the CA would welcome any comments on the Report ahead of the Workgroup meeting so that as many changes can be made and shared on paper day. DM asked if the commentary on June 2023 could be clarified to state that IGT165 was considered as a mirroring Modification to UNC 0843 at that time before an amended Modification Proposal was submitted in July 2023 to change IGT165 to an enabling Modification. TL agreed.

#### Solution

DM noted Business Rule 1 which states that IGT UNC Parties must comply with the ISE as set out in the Independent Gas Transporter Arrangements Document (IGTAD) and asked if the Modification will need to be updated to add reference to the UNC. TL and the Chair responded that it does not need updating as the IGTAD is only referenced in the original IGT UNC Shrinkage text, which has only been moved to the new Section FI and not altered.

CG asked about the Transporter License changes. DM responded that the changes to the License to enable the IGT to purchase gas is covered under the UNC, so is not mentioned within IGT165. They added that as part of UNC 0843, there is a note to Ofgem advising that License changes may need to be considered as part of the Modification, particularly relating to the purchasing of gas. CG queried whether the License changes would need to come before the implementation of the Modification, as the mechanisms to facilitate the Modification would not be in place. The Chair responded that it would be up to Ofgem to determine the timeline for implementing the Modifications and any required license changes once the Modifications have been recommended for Authority decision, but there may be an implementation delay if Ofgem consult parties on the potential License changes. KA added that Ofgem will have to deal with the license changes as part of their approval process for UNC 0843 and IGT165, as it is clear that without those changes, neither Modification can be implemented. DM added that they have had multiple conversations with Ofgem and they have also attended UNC 0843 Workgroup meetings, so they are aware of the situation.

#### Impacts and Other Considerations:

The Chair asked the Workgroup if they believed this Modification will impact a Significant Code Review (SCR). DM asked about the timelines for the ongoing Energy Code Reform project, and added that there may be if it occurs at the same time as the implementation of UNC 0843 and IGT165. TL responded that there is not an exact timeline available at the moment. EO suggested that they could provide an update on Energy Code Reform at the April Workgroup meeting to help clarify the impacts of this Modification. The Chair added that they believe any changes as part of Code reform would not be as part of a SCR but could fall under other significant industry change products. They added that it would be good to call out a potential impact as the implementation and preparation for UNC 0843 and IGT165 will be a significant piece of work for all Parties. DM added that they do not believe that the implementation of these Modification would not be a significant change to note. KA added that there will be a significant minimum lead time of approximately 18 months from approval for

procuring an ISE into place. TL advised that they will note the discussions in this meeting in the updated Workgroup Report, but will keep the original answer of no impact for now until further clarification is provided at the next Workgroup meeting.

The Chair asked if the Workgroup believed IGT165 to have a positive impact on Consumers as stated in the Modification Proposal and Workgroup Report. CG asked for some more clarification on the positive impact. The Chair agreed.

DM advised that in terms of safety and reliability, IGT165 alone would have a neutral impact, but as it is an enabling Modification in support of UNC 0843 (which does have an identified positive impact on improved safety and reliability), there will be a positive impact by providing IGTs with the means and incentivisation to reduce the causes of shrinkage model error. The Chair agreed. CG queried whether UNC 0843 clearly identifies how it is improving safety and reliability, particularly regarding leakage. DM responded that there is an incentivisation to reduce leakage due to the application of the ISC. CH queried whether the ISC is calculated at Local Distribution Zone (LDZ) level, if so IGTs would not be able to identify between the IGT and Gas Distribution Network (GDN) leakage, which reduces the impact. DM responded that UNC 0843 has stipulations that backing data will be required to enable the reduction of the causes of Shrinkage Model Error. TL noted that the Proposer has identified a positive impact and asked if the Workgroup believe this is a neutral impact. CG added that it may be beneficial for all Parties to take a further look at this prior to the April Workgroup meeting.

The Chair asked the Workgroup if IGT165 will result in lower bills than would otherwise be the case. DM identified a positive impact, as by supporting UNC 0843, the removal of Shrinkage Model Error from Unidentified Gas (UIG) aims to reduce the UIG element of the Energy Price Cap, which is used to set customer bills on Standard Variable Tariffs (SVTs). CG queried whether the Consumer will actually see a bill reduction or will this be paid as part of a different charge on the bill. The Chair added that the price control mechanisms are different for GDNs and IGTs and that if the charges go on an IGT, they could pass that through to the Consumer. CG agreed and asked about the different types of Consumers (i.e. domestic, non-domestic). CH queried whether IGTs would be able to pass it on and suggested that it may have to come off the bottom line, which would cause a competition issue if the GDNs can get an allowance through RIIO and the IGTs cannot. The Chair responded that it would be good to get clarification on this matter for the April Workgroup meeting. The Workgroup agreed.

The Chair asked the Workgroup if IGT165 will result in reduced environmental damage. DM responded that there would be a positive impact, as by supporting UNC 0843, via the incentivisation of the reduction of Shrinkage Model Error and the provision of data via which gas leaks can be reduced, this aims to reduce the impacts of methane on the environment. CG and CH both raised concerns that the impact of reducing leaks will be impacted as the requested data may only be at LDZ level. DM responded that the quantity of gas within the ISC will be at LDZ level, but the backing data provided by the ISE within the statements may not be. KA added that for the Allocation of Unidentified

Gas Expert (AUGE), the weighted factors are at Class and End User Category (EUC) level. DM added that the charges under AUGE are ultimately settled at LDZ level.

The Chair asked the Workgroup if IGT165 will result in an improved quality of service for some or all end Consumers. DM responded that they would be changing their stance from positive to neutral, as it is a separate section to Consumer bills.

The Chair asked the Workgroup if IGT165 would have benefits for society as a whole. DM responded that the reduction in gas leaks would have a positive knock on impact for global warming and align with the Government's Net Zero objectives. CG responded that the concerns IGTs have for the actual impact of UNC 0843 and IGT165 in reducing leaks will impact the societal benefits of both Modifications.

The Chair asked the Workgroup to consider if IGT165 has any Cross-Code impacts. TL added that previous IGT UNC Modifications that are enabling UNC Modifications are not considered to have a UNC impact and confirmed that the same can be said for IGT165. DM responded that they were happy with that approach. CG added a comment on the dependency on each Modification on the other.

The Chair asked the Workgroup to consider the environmental impacts of IGT165. DM responded that Methane is 84 times more potent a greenhouse gas than Carbon Dioxide, and that AUGE forecasts that 19 Gwhs of Methane will be leaked into the atmosphere in the gas year 2023/24. CG asked if this only relates to IGT shrinkage. DM confirmed this, adding that GDN Shrinkage is not covered by the AUGE report.

KA noted that the Code Administrator had referenced a ROM for UNC 0843 published on 19<sup>th</sup> February and advised that they had submitted a new version to the Joint Office earlier this week, and it was published on 10<sup>th</sup> March although they believed that the costings were the same. TL responded that the Workgroup Report would be updated accordingly for the April Workgroup meeting.

The Chair asked if the ROM references the implementation of both UNC 0843 and IGT165. KA responded that the bulk of the solution is in UNC 0843 but Xoserve would obviously like both Modifications to be implemented simultaneously for consistency. The Chair asked what would happen if IGT165 was not implemented alongside UNC 0843. KA queried clause 5.7.2 in the TPD Section N legal drafting which states that the ISE applies to IGTs and therefore IGTs would still need to provide the requested data to the ISE. They asked if UNC 0843 would be sufficient to cover IGTs, subject to the required License changes. The Chair responded that if IGT Supply Point level data is required, a change would be required under the IGT UNC. CG asked what is the point of IGT165 if UNC0843 is not dependent on the implication of this enabling Modification. The Chair responded that UNC 0843 is dependent on IGT165 as it is unclear what the level of data the ISE will request from IGTs, and if Supply Point level data is required, then it will need to be covered under the IGT UNC. KA asked DM for clarification. DM responded that the clause in the UNC 0843 legal text will not cover Supply Point

level data for IGTs, hence the need for IGT165. The Chair added that IGT165 is ensuring that all data required by the ISE can be legally requested.

#### Relevant Objectives:

The Chair noted that for Relevant Objective (A) – Efficient and Economic Operation of the Pipeline System, DM had given a positive impact as implementing UNC 0843 and IGT165 should incentivise Methane reduction. CH responded that this is difficult to agree as if the data on leakage is not at a granular enough level, there may be no incentive. CG agreed. DM responded that the data contained within the ISE statements will be of a granular enough level.

DM advised that they were changing their stance on Relevant Objective (B) – Coordinated, Efficient and Economic Operation of the Combined Pipe-line System, from Positive to Neutral at as they had previously provided the same rationale for both Relevant Objectives (A) and (B) and did not want to repeat themselves. CG asked if the Relevant Objectives match for UNC 0843 and IGT165. DM responded that they do not match, and for IGT165, they were trying to identify the Relevant Objectives closest to the positive impacts on Consumer bills and Net Zero objectives.

TL shared the Relevant Objectives for UNC 0843 with the Workgroup, noting that the only identified positive impacts were for Relevant Objectives (E) – Provision of Reasonable Economic Incentives and (G) – Compliance. DM provided the rationale for (G) to the Workgroup.

The Chair asked if the Workgroup would like to review the proposed Relevant Objectives for UNC 0843 and IGT165 ahead of the April Workgroup meeting where they would be finalised. The Workgroup agreed. DM added that they were happy with this approach.

The Chair asked DM if they wished to match the Relevant Objectives for IGT165 to those for UNC 0843. DM responded that they would, as well as updating the rationale to reflect the Relevant Objectives cover both the implementation of IGT165 and the enabling of UNC 0843. They asked EO to feed back to Ofgem that they felt the key positives of IGT165 of lower Consumer bills and positive Net Zero impacts were not clearly covered within the Relevant Objectives. EO responded that the Ofgem Policy team are working on including a Net Zero objective and would try and provide an update on this in due course. They added that they would take the feed back on a potential specific Consumer Relevant Objective away.

#### Implementation:

TL noted the text in this section relating to the old version of the UNC 0843 ROM and added that this text would be reviewed before the April Workgroup meeting to ensure it is aligned with the recently submitted revised ROM.

The Chair asked the Workgroup for any comments on the Implementation section of the Workgroup Report. CG responded that in the event of UNC 0843 being rejected, that IGT165 should not be implemented on its own. DM agreed.



KA added that the implementation of UNC 0843 and IGT165 are subject to required License changes which, if not adopted, mean that neither Modification can be implemented. CG added that Ofgem will have to consult on these License changes too, increasing the timescales of implementation. KA noted Xoserve's proposed minimum 18 month lead time, which can only begin once the Modifications have been approved by Ofgem and are awaiting implementation. They added that once procurement and any required system changes reach a more advanced stage, then a proposed implementation date can be determined.

KA added that Xoserve will liaise with the Joint Office over a release date for UNC 0843 but added that IGT165 should be covered if the IGT UNC have committed to implementing the Modification at the same time as UNC 0843.

#### Legal Text

The Chair suggested that following the review of the IGT165 legal text earlier, that the Workgroup are happy with the legal text and have no further comments to add. They added that the revised legal text will be made available prior the April Workgroup meeting. TL added that the conversations on the legal text from the meeting will be added to the Workgroup Report. The Workgroup were happy with this approach.

#### Authority Decision

TL asked the Workgroup if they support IGT165 being an Authority Decision Modification. CG responded that they agree that the Authority should decide on both UNC 0843 and IGT165. DM agreed.

#### Next Steps:

The Chair noted that the current Modification timeline means that there will be a further opportunity to discuss IGT165 at the April Workgroup meeting. They suggested that this would be a good opportunity for Parties to review the revised legal text and updated Workgroup Report when it is published ahead of the next Workgroup meeting, to ensure they are comfortable with sending IGT165 back to Panel later in April. The Workgroup agreed.

TL asked that if any Parties had anything specific they wished to be included in the Workgroup Report to email [igtunc@gemserv.com](mailto:igtunc@gemserv.com) before the next Workgroup Paper Day on 3<sup>rd</sup> April.

### **STANDING ITEMS**

#### **6. Cross Code Modification Implications Tracker**

HF provided the Workgroup with the following updates on in flight UNC modifications:

#### Watch List

- **0896 - Reducing the current Code Cut-Off Date (Line in the Sand) from 3 to 4 years to 2 to 3 years.** The Legal drafting for this Modification was published on 24<sup>th</sup> February. The Code Administrator has determined there are no IGT UNC impacts based off the legal drafting at this time but will continue to monitor the Modification as it will have an impact on IGT UNC Parties.
- **0890 - Update to AQ Correction Processes - Request for Adjustments (RFA) AQ Change.** Following an Xoserve Impact Assessment and consultation of GDNs, the UNC Workgroup agreed to focus a solution on automatic Annual Quantity (AQ) recalculation and update the Modification based on this new approach. The Modification was amended on 25<sup>th</sup> February. There has also been a three month extension granted.
- **0886 – Amend the Code Cut-off Date to a Rolling Three-Year Period.** A new ROM is expected for the UNC Distribution Workgroup meeting in March.
- **0908 - Removal of DNO meter reading obligations resulting from non-provision of a Valid Meter Reading.** LG noted this Modification being raised on 7<sup>th</sup> March. The Chair asked if this Modification is removing the requirement for GDNs to fulfil the Must Read process. LG confirmed this. JL added that this Modification has been raised following [0812R - Review of Alternatives to “Must Read” Arrangements](#). TL advised that the Code Administrator will have a more detailed review of this Modification for the April Workgroup meeting.

#### IGT UNC Equivalent Modifications

- **0899 - To ensure the suite of Network Exit Agreements (NExA) Modifications has been implemented, taking into account the changes introduced by 0804.** An IGT UNC equivalent Modification, [IGT175 - Alignment of the IGT UNC with the UNC following Modification UNC0899 and additional housekeeping changes](#), had been raised by CG on 10<sup>th</sup> March. CG added that this Modification will ensure the IGT UNC is aligned with the UNC following the housekeeping changes made as part of UNC 0899, as well as including other outstanding housekeeping changes from the IGT UNC Known Issues Register.
- **0887 – Facilitating Bi-Directional Connections Between IGT Pipelines and the NTS:** An IGT has reached out to the Code Administrator to express interest in sponsoring a IGT UNC Modification to facilitate UNC 0887. The Sponsor and Code Administrator are working on raising the Modification in time for the March Panel meeting, and a draft Modification Proposal form has been submitted for initial review.
- **0884 – Extending the PC4 Submission Window:** As part of Action 25/02 – 02, the Code Administrator wrote to IGTs and the INA regarding the potential impacts of UNC 0884. CG confirmed that they were working on raising an IGT UNC Modification to align the IGT UNC Must Reads process to the proposed UNC and Xoserve processes. They added that they may aim to raise the Modification in time for the April Panel meeting although they will confirm this at a later date.



- [0881 - Review and consolidation of UNC Transition Document TDIC - Transitional Rules](#). CG confirmed that the required housekeeping change to the IGT UNC from UNC 0881 had been included within IGT175.
- [0854 - Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers](#): MB informed the Workgroup that they plan to raise an IGT UNC Modification ahead of the April Workgroup meeting, where it will be on the agenda.

#### Review Groups

- [0879 – Review of the current Supply Meter Point Classes \(Classes 1-4\)](#): The Review group considered classes 2 and 3 at the February meeting, with Xoserve planning to revisit these classes and begin work on class 4 at the next meeting.
- [0849 – Commercial Framework Review to Enable Hydrogen Blending](#). At the last meeting, the Review group considered the Design Stage process, Component Definitions, Locations, Capacity Terms, and a Request for Information. The next meeting will continue to cover the topic of Capacity and Connections.

#### **7. IGT UNC Known Issues Register**

HF advised the Workgroup that there were two new updates to the Known Issues Register prior to the meeting. They added that a new issue on IGT173 non-compliance and a new housekeeping change to remove a reference to TDIC 1.3.8 had been added following the February Workgroup meeting. The Workgroup had no comments or further additions to the Known Issues Register.

#### **8. IGT UNC Horizon Scanner**

TL presented some changes to the Horizon Scanner and provided the Workgroup with the following updates:

##### Digitalising the Energy System:

TL advised that the Code Administrator were informed by an IGT UNC Panel member that attends the Ofgem Cross Code Digitalisation Steering Group (CCDSG) that Ofgem are planning to issue a consultation on Energy System Data Best Practice ahead of the May Strategic Workgroup meeting.

##### Service Line Review:

CG advised that work had commenced on the Service Line Review, and it is looking to include an extra service line that incorporates an IGT charge. CG added that the Review is looking to split out what is in the Shipper service lines and split an element related to AUGER, Performance Assurance Committee (PAC) and the Performance Assurance Framework Administrator (PAFA) to make it a 50-50 split between Shippers and Transporters.

##### Hydrogen Blending:

LG advised that there is a project being undertaken on Real Time Settlement Methodology, with a focus on hydrogen blending. The Chair added that the GDNs and some consultancies are focusing on the use of the Calorific Value in settlement and how to make it fairer going forward, given the increasing numbers of bio-methane sites and expected use of hydrogen blending. The Chair added that Calorific Values are bound by the thermal energy regulations, and early analysis is suggesting these regulations will need to be reopened. The Chair advised that the plan is for a new settlement plan will be adopted in 2030. The Chair suggested that the presenters could be invited to an IGT UNC meeting, noting the charging impacts for Shippers. JL added that this had been presented at the February Distribution and Transmission workgroups and recommended that any interested Parties should have a look at the material. TL added that [a link to the presentation](#) would be included within the meeting minutes.

### **AOB**

#### **9. Lydia Bentley**

The Chair informed the Workgroup that Lydia Bentley had joined the Code Administrator team and would be working on the IGT UNC going forwards. The Workgroup welcomed LB.

**The next Workgroup meeting is scheduled for Thursday 10<sup>th</sup> April 2025.**

# Annex 1 – Actions Table

| Reference  | Action                                                                                                                                                            | Owner                     | Status        |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------|
| 25/02 - 01 | <i>Code Administrator to write to Parties for information on any difficulties faced when implementing IGT173</i>                                                  | <i>Code Administrator</i> | <i>Closed</i> |
| 25/02 - 02 | <i>Code Administrator to write to IGTs and the INA regarding the impacts of UNC 0884 discussed at the February Workgroup meeting.</i>                             | <i>Code Administrator</i> | <i>Closed</i> |
| 25/02 - 03 | <i>Code Administrator to write to all parties and reach out to impacted IGT and Shipper in relation to raising a IGT UNC Modification to facilitate UNC 0887.</i> | <i>Code Administrator</i> | <i>Closed</i> |