

UNC Panel Chair, the Joint Office,  
relevant Gas Transporters, Gas  
Shippers, and other interested  
parties

Email: [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk)

Dear Wanda and colleagues,

Date: 16 September 2022

**UNC modification proposal UNC0824 'Appointment of CDSP as the Scheme Administrator for the Energy Price Guarantee (EPG) for Domestic Gas Consumers (Gas)' - decision on urgency**

We<sup>1</sup> have received a request from Northern Gas Networks Limited ("The Proposer") that Uniform Network Code ("UNC") modification proposal UNC0824:<sup>2</sup> (hereafter "UNC824") should be given urgent status and follow expedited modification procedures. This letter confirms that we have agreed to that request and sets out the timetable under which the modification will proceed.

**Background**

The unprecedented rise in gas prices over the last twelve months has significantly increased energy prices for consumers in Great Britain and across Europe. On 8 September 2022, the Government announced a new 'Energy Price Guarantee' scheme to reduce customers' bills to start from 1 October 2022. The Energy Price Guarantee (EPG) will limit the price that suppliers can charge consumers for each unit of energy. Above that limit, the Government will pay the cost of the energy.

**The modification proposal**

UNC824 seeks to enable xoserve, as the Central Data Service Provider (CDSP), to be appointed as Scheme Administrator for the Government's proposed EPG scheme for domestic gas customers ('the EPG (Gas) scheme'). The Modification will do so by assigning

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<sup>1</sup> Ofgem is the Office of the Gas and Electricity Markets Authority. The terms 'Ofgem', 'the Authority', 'we', 'our' and 'us' are used interchangeably in this letter.

<sup>2</sup> Modification proposals are available at <https://www.gasgovernance.co.uk/livemods>

xoserve, as the CDSP, with undertaking the function of Scheme Administrator for the EPG (Gas) scheme. xoserve's respective role, function and responsibilities as Scheme Administrator for the EPG (Gas) scheme will be described in more detail in a separate EPG Scheme Document.

The proposer considers that UNC824 is urgent due to the imminent application of the increased Energy Price Cap from 1 October 2022 and the significant impact of this on domestic consumers which the EPG (Gas) scheme is intended to address by the Government intervening to limit the increase in prices that consumers would have otherwise experienced.

### **UNC Modification Panel View**

We have not on this occasion sought a formal UNC Panel view on the proposal, as allowed for under paragraph 10.1.1(b) of the Modification Rules.<sup>3</sup> We consider that the need to take swift action is justified.

### **Authority Decision**

We have considered the Proposer's justification for urgency for the modification proposal and assessed the request against the urgency criteria set out in Ofgem's published guidance.<sup>4</sup> The guidance sets out the factors that we will consider in reaching a decision on urgency in the context of industry code modification proposals – it is intended to be illustrative and not exhaustive. Each request for urgency will be considered on its merits on a case-by-case basis by reference to our guidance, and in circumstances where we depart from it, we will explain the reasons why.

In general, we consider that an urgent modification should be linked to an imminent issue<sup>5</sup> or a current issue that, if not urgently addressed, may cause a:

- i. significant commercial impact on parties, consumers or other stakeholder(s); or
- ii. significant impact on the safety and security of the electricity and/or gas systems; or
- iii. party to be in breach of any relevant legal requirements.

We are satisfied that progressing UNC824 is related to an imminent or current issue. In particular, the criterion in our guidance that is relevant to our decision on urgency is criterion (a), namely, an imminent issue or a current issue that if not urgently addressed may cause a significant commercial impact on parties, consumers or other stakeholder(s).

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<sup>3</sup> UNC Modification Rules: [www.gasgovernance.co.uk/sites/default/files/Modification%20Rules\\_13.pdf](http://www.gasgovernance.co.uk/sites/default/files/Modification%20Rules_13.pdf)

<sup>4</sup> [Ofgem Guidance on Code Modification Urgency Criteria | Ofgem](#)

<sup>5</sup> The imminent issue may be date related.

In our view, UNC824 seeks to facilitate the implementation of the EPG scheme. The proposed scheme has a start date of 1 October 2022. If UNC824 is not addressed on an urgent basis, and a decision made on whether to facilitate the introduction of the EPG scheme on 1 October 2022, this will have a significant commercial impact on the affordability of energy bills for domestic consumers from 1 October 2022. To allow for the implementation of the EPG scheme on 1 October 2022, this modification needs to be treated as urgent.

We therefore agree to treat UNC824 on an urgent basis in accordance with the urgent timetable set out below.

Date Modification Raised and submitted to the Authority for decision on urgency	16 September 2022
Ofgem Decision on Urgency	16 September 2022
Draft Modification Report issued for Consultation	16 September 2022
Consultation Close-Out for Representations	21 September 2022 (12 noon)
Final Modification Report available for Panel	21 September 2022 (2pm)
Modification Panel decision	22 September 2022
Modification sent to Ofgem	22 September 2022
<i>Decision from Ofgem</i>	<i>+1WD after Authority Decision</i>

For the avoidance of doubt, in granting this request for urgency, we have made no assessment of the merits of the Modification and nothing in this letter in any way fetters our discretion in respect of this Modification proposal.

Yours sincerely,

**Jemma Baker**  
**Deputy Director**  
**Future Retail Markets**

Duly authorised on behalf of the Authority