Annex G: Proposed legal drafting of code modification prioritisation procedure – Independent Gas Transporters' Uniform Network Code (IGT UNC)

We have set out below the specific sections of the Independent Gas Transporters' Uniform Network Code (IGT UNC)¹,² that we propose to amend using our transitional powers subject to schedule 12 to the Energy Act 2023, which we are seeking feedback on as part of this consultation. Proposed deletions are shown in strike-through, and proposed new text is double underlined. Text in red shows changes that have been made to the code text since the August 2025 decision publication, which include changes to ensure that the legal text is up to date, that the correct sections of codes have been updated, and that changes are consistent as far as possible.³ For brevity, we have not reproduced entire sections of the code in this annex. Instead, we have included only the parts of the code that are proposed to change, along with other parts we consider most relevant to understanding those changes. Whilst we have attempted to ensure that our proposed legal text drafting remains accurate as compared to the most up-to-date versions of the code text, we would welcome your highlighting of any parts of the code text proposed here that are out-of-date.

Independent Gas Transporters' Uniform Network Code⁴ (Independent Gas Transporters' Uniform Network Code)

PART L - MODIFICATION RULES

2 Interpretation

2.1 In addition to terms defined elsewhere in the IGT UNC, the following terms and expressions have the following meanings in this Part L:

¹ The IGT UNC has been designated as a 'qualifying document' by the Secretary of State as part of the Designation Notice (amended and consolidated) under paragraphs 1(1)(b) and 1(5) of Schedule 12 to the Energy Act 2023 designating certain documents and central systems for the purposes of Schedule 12 to the Energy Act 2023

² The prioritisation policy that we propose to introduce through this consultation relates to code processes before code manager appointment. We intend to keep the provisions under review, and if amendments are required in the future to account for the introduction of a code manager, a consultation will be carried out.

³ <u>Decision on the preliminary Strategic Direction Statement and governance arrangements for industry codes | Ofgem</u>

⁴ Independent Gas Transporters' Uniform Network Code

<u>Prioritisation Criteria has the meaning given to that term by the Authority Guidance on Code Modification Prioritisation.</u>

<u>Prioritisation Category has the meaning given to that term by the Authority Guidance on Code Modification Prioritisation.</u>

<u>Authority Guidance on Code Modification Prioritisation means the guidance published by the Authority from time to time on code modification prioritisation.</u>

- 10.2 Content of Modification Proposal
 - 10.2.1 Each Modification Proposal made pursuant to Clause 10.1.1, Clause 10.1.2 or Clause 10.1.3 shall set out the information and be in the form specified on the IGT UNC Website and:
 - (a) shall state the Proposer's view as to whether it should not be a Self-Governance Modification Proposal and the Proposer's reasons for such a view;
 - (b) shall state the Proposer's view as to whether it should be a Fast Track Self-Governance Modification Proposal and the Proposer's reasons for such a view;
 - (c) shall where it is made pursuant to a direction of the Authority state that it is so made;
 - (d) shall be in writing and shall specify whether it relates to the IGT UNC or an Individual Network Code;
 - (e) shall set out in reasonable but not excessive detail the case for change and the solution proposed;
 - (f) shall set out on the basis upon which the Proposer considers that it would better facilitate the achievement of the Relevant Objectives;
 - (g) shall detail the sections and paragraphs of the IGT UNC or the Individual Network Code which are potentially impacted by the Modification Proposal;
 - (h) shall, if the Proposer considers that the Modification Proposal should be treated as an Urgent Modification Proposal, identify the Modification Proposal as such and indicate the Proposer's justification for such belief;
 - (i) shall state the name of the Proposer and their contact details;
 - (j) shall, without prejudice to the IGT UNC Modification Panel's right of determination pursuant to Clause 18 state the Proposer's preference as to whether the Modification Proposal should;
 - i. be subject to the Review Procedures;
 - ii. proceed to Work Group Assessment; or

iii. proceed to Consultation.

- (k) may state the Proposer's opinion of the likely impact of the implementation of the Modification Proposal upon Pipeline User's computer systems and/or manual processes and procedures; and
- (I) may include the Proposer's Suggested Text. This Suggested Text will be considered by the IGT UNC Operators when preparing the text of the Modification pursuant to Clause 21; <u>and</u>
- (m) shall include an assessment by the Proposer of the Modification Proposal against the Prioritisation Criteria;

18.5 The IGT UNC Modification Panel shall make a determination under Clause 18.7 having:

- (a) discussed the Modification Proposal and, subject to Clause 18.3;
- (b) heard the presentation of the Proposer's representative; and
- (c) had an opportunity to ask the Proposer's representative questions in respect of the Modification Proposal and the presentation of the Proposer's representative; and
- (d) where the Modification Proposal has been determined not to be an Urgent Modification Proposal, considered the Modification Proposal against the Prioritisation Criteria, giving due regard to the Proposer's assessment of the Proposal against the Prioritisation Criteria, pursuant to paragraph 10.2.1(m);

or where it has received a referral pursuant to Clause 21.3.

18.7 Subject to Clause 18.3 and Clause 18.9, the IGT UNC Modification Panel may, without prejudice to Clause 18.5, determine that a Modification Proposal:

- (a) should proceed to Consultation in accordance with Clause 23.1 or
- (b) should proceed to Development for Work Group Assessment in accordance with Clause 19 (and the IGT UNC Modification Panel may determine the Terms of Reference for such work (including terms as to the identity of any third parties to be consulted) and the date upon which it requires the Work Group to submit its Work Group Report); or
- (c) should be deferred to a subsequent meeting of the IGT UNC Modification Panel for further discussion; or
- (d) be subject to Review, in which case the provisions of Clause 22 shall apply; or
- (e) satisfies the Self-Governance Criteria, in which case the provisions of Clause 18.7(a) shall apply; or

(f) be referred back to the Proposer for further development in which case the provisions of Clause 18.9 shall apply: and

(g) where it has been determined not to be an Urgent Modification Proposal, should be treated as of being of a relevant Prioritisation Category, assessed pursuant to paragraph 18,5 (d) as compared with other Modification Proposals' assessments pursuant to paragraph 18.5 (d).

25 Content of Modification Reports

25.1 Each Draft Modification Report or Final Modification Report shall set out the information, and be in the form, specified on the IGT UNC Website and:

- (a) shall in relation to a recommendation of the IGT UNC Modification Panel under Clause 23.3.3(b), include details of the IGT UNC Modification Panel's reasoning for determining whether or not the Modification Proposal better facilitates achievement of the Relevant Objectives; and
- (b) state whether or not a determination has been made by the IGT UNC Modification Panel under Clause 23.3.3(a) and the number of Voting Members in favour of, and the number of Voting Members present and not voting in favour of, the implementation of the Modification Proposal;
- (c) where it [the modification report] relates to a Modification Proposal that is neither a Self-Governance Modification Proposal nor a Fast Track Self-Governance Modification Proposal, state that fact together with the reasons why the proposal failed to satisfy both the Self-Governance Criteria and Fast Track Self-Governance Criteria and whether such failure was determined by the IGT UNC Modification Panel or the Authority; and
- (d) state whether the Modification Proposal is made pursuant to a direction of the Authority in respect of a Significant Code Review-; and
- (e) where it has been required to have been determined, state the Prioritisation Category attached to the Modification Proposal and the reasons for this determination.

34 Review of Prioritisation Category of Modification Proposals

34.1 The Panel shall reassess the Prioritisation Category of Modification Proposals bi-annually and adjust the relevant modification timetable for each Modification Proposal accordingly.

35 Modification Register

35.1 The Code Administrator shall prepare and publish an updated Modification Register on the IGT UNC Website, which shall include:

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- (a) whether each Modification Proposal has been determined to be an Urgent Modification Proposal, or, where a Modification Proposal has been determined to not be an Urgent Modification Proposal, its Prioritisation Category; and
- (b) the reasons for the IGT UNC Modification Panel's determinations where they have been made in regard to the Prioritisation Category of Modification Proposals.
- (c) where the Prioritisation Category of a Modification Proposal is changed, this change should be reflected within the Modification Register alongside the reasons for its change.