

Modification proposal:	Independent Gas Transporter Uniform Network Code (IGT UNC) 141 (IGT141): 'Pipeline User submitted AQ corrections during COVID 19' and IGT144: 'Ability to reflect the correct customer network use and system offtake quantity during COVID-19'		
Decision:	The Authority ¹ has decided ² to reject these modifications		
Target audience:	IGT UNC Panel, Parties to the IGT UNC and other interested parties		
Date of publication:	14 October 2020	Implementation date:	n/a

Background

COVID-19 presents a serious challenge for the energy industry to tackle on behalf of the homes and businesses that depend on the sector for gas and electricity. The earlier lockdown of non-essential sectors of the economy and re-purposing of some sites, together with ongoing changes in consumer behaviour have caused energy consumption to vary from season normal patterns to an unprecedented extent. This has had, and continues to have, impacts throughout the energy supply chain.

Against this backdrop a specially convened session of the Uniform Network Code (UNC) Distribution workgroup was held on 14 April 2020 to consider the likely impacts of COVID-19 on the UNC arrangements and potential mitigating actions. To date, four of the UNC modification proposals which emerged from those discussions have prompted a corresponding proposal to modify the IGT UNC. On 18 May 2020 we directed the implementation of IGT142 and IGT143.³

The modification proposals

Both IGT141 and IGT144 seek to incorporate by reference the legal text that had been proposed to be inserted unto the UNC through modification proposals UNC721 and UNC725⁴ respectively.

UNC721 sought to extend the circumstances under which a shipper may 'correct' the Annual Quantity (AQ) applicable to a registered supply point, rather than gradually revise the AQ value through the submission of valid meter reads. Those circumstances are currently limited under the UNC rules⁵, and therefore by extension under the IGT UNC rules, to a defined set of circumstances.

UNC721 would have extended the circumstances in which AQ may be revised to include where a site's consumption has varied unexpectedly due to the impact of COVID-19.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

³ IGT142: 'Allow users to submit estimated meter readings during Covid-19'; and IGT143: 'Use of Isolation Flag to identify sites with abnormal load reduction during Covid-19 period'. [See here](#)

⁴ UNC721: Shipper submitted AQ Corrections during COVID-19, [see here](#); and UNC725 'Ability to Reflect the Correct Customer Network Use and System Offtake Quantity (SOQ) During COVID-19', [see here](#).

⁵ UNC Section G1.6.21

UNC725 sought to temporarily reduce the capacity element of transportation charges to Daily Metered supply points where a site's consumption has varied unexpectedly due to the impact of COVID-19.

IGT UNC Panel⁶ recommendation

At an extraordinary meeting of the IGT UNC Panel held on 14 May 2020, Panel members voted by a majority to recommend the implementation of IGT141. At its subsequent meeting of 29 May 2020, the IGT UNC Panel voted by a majority to recommend the implementation of IGT144.

Our decision

We have considered the issues raised by the Final Modification Reports (FMRs) on IGT141 and IGT144, taken into account the responses, which are attached to the FMR⁷, and also had regard to our earlier decisions on UNC721 and UNC725. We have concluded that IGT141 and IGT144 would not further the objectives of the IGT UNC.⁸

Reasons for our decision

As noted above, whilst we recognise that a significant proportion of the UK's economic activity has been reduced or suspended in order to contain the spread of COVID-19, we did not consider that the implementation of UNC721 or UNC725 would have furthered the objectives of the UNC. We therefore rejected both of those proposals.

As IGT141 and IGT144 sought to incorporate by reference the legal text of UNC721 and UNC725 into the IGT UNC, our earlier rejection of those proposals means that IGT141 and IGT144 could not practicably be implemented and are therefore effectively defunct. We therefore consider that directing the implementation of IGT141 and IGT144 would negatively impact objective f⁹ in that it would insert defunct and non-effective text into the IGT UNC.

However, for the avoidance of doubt, our consideration of UNC721 and UNC725 would have applied equally to IGT141 and IGT144 and resulted in their rejection if they had been progressed as standalone modification proposals.

Our reasons for rejecting UNC721 and UNC725 are set out in detail in our decision letters on those proposals, which are published on the Ofgem website.¹⁰

⁶ The IGT UNC Panel is established and constituted from time to time pursuant to and in accordance with the IGT UNC Modification Rules

⁷ IGT UNC modification proposals, modification reports and representations can be viewed on the iGT UNC website at <http://www.igt-unc.co.uk/>

⁸ As set out in Standard Special Condition 9 of the Gas Transporters Licence, available at: https://epr.ofgem.gov.uk//Content/Documents/Gas_transporter_SLCs_consolidated%20-%20Current%20Version.pdf

⁹ Objective f: "so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition"

¹⁰ See links in footnote 4

Decision notice

In accordance with Standard Condition 9 of the Gas Transporter Licence, the Authority has decided that modification proposals:

- IGT141: *'Pipeline User submitted AQ corrections during COVID 19'*; and,
- IGT144: *'Ability to reflect the correct customer network use and system offtake quantity during COVID-19'*

should not be made.

David O'Neill

Head of Gas Systems

Signed on behalf of the Authority and authorised for that purpose