

## Stage 01: Modification

# 0474:

Inclusion of the guidelines relating to the “Customer Settlement Error Claims Process” within UNC governance.

At what stage is this document in the process?



*To facilitate implementation of UNC Modification 0429 it is necessary to develop error claims process guidelines. This Modification Proposal seeks to incorporate these guidelines as a UNC Related Document.*

The Proposer recommends that this modification should be:



- subject to self-governance
- assessed by a Workgroup.



High Impact: None



Medium Impact: None



Low Impact: Transporters and Users with registered Supply Points that are subject to Individual Meter Point Reconciliation.

0474









Modification

10 December 2013

Version 1.0

Page 1 of 6

© 2013 all rights reserved

Contents		
1	Summary	3
2	Why Change?	4
3	Solution	4
4	Relevant Objectives	5
5	Implementation	6
6	Legal Text	6
7	Recommendation	6
About this document:		
<p>This modification will be presented by the proposer to the panel on 19 December 2013.</p> <p>The panel will consider the proposer's recommendation, and agree whether this modification should be subject to self-governance; and whether it should be issued to a Workgroup, followed by UNCC, for consideration.</p>		 <b>Any questions?</b> Contact: <b>Code Administrator</b>  <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>  <b>0121 288 2107</b> Proposer: Alison Chamberlain  <a href="mailto:alison.chamberlain@nationalgrid.com">alison.chamberlain@nationalgrid.com</a>  <b>01926 653994</b> Licence Holder: National Grid gas Distribution Systems Provider: <b>Xoserve</b>  <a href="mailto:commercial.enquiries@xoserve.com">commercial.enquiries@xoserve.com</a> Additional contacts: <b>David Addison</b>  <a href="mailto:david.addison@xoserve.com">david.addison@xoserve.com</a>  <b>0121 623 2752</b>

0474

Modification

10 December 2013

Version 1.0

Page 2 of 6

© 2013 all rights reserved

# 1 Summary

## Is this a Self-Governance Modification?

National Grid Distribution (NGD) believes that this Proposal is a candidate for self-governance since implementation would be unlikely to have a material effect on either:

- existing or future gas consumers; or
- competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes; or
- the operation of one or more pipe-line system(s); or
- matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; or
- the Uniform Network Code governance procedures or the Network Code modification procedures.

NGD also believes implementation would not discriminate between different classes of parties to the Uniform Network Code/relevant gas transporters, gas shippers or DN operators.

Consequently, NGD requests that this Proposal is treated as a Self-Governance Modification Proposal.

## Why Change?

To support the implementation of Modification 0429: "Customer Settlement Error Claims Process" it is necessary to develop a Customer Settlement Error Claims Process Guidance Document (the "Guidelines"). Whilst these Guidelines may exist without the need for a UNC modification, the visibility and additional governance afforded to them by the nature of their inclusion as a UNC Related Document would be beneficial for all interested parties.

## Solution

This Modification Proposal advocates the development of these Guidelines and seeks to introduce a reference to them within the Uniform Network Code (UNC). Suitable governance arrangements to be adopted for the management of any future changes to the Guidelines are also proposed.

It is proposed that the Guidelines be managed as a UNC Related Document to provide clarity to potential claimants regarding the methodology under which the 0429 claims process will be managed.

## Relevant Objectives

The visibility afforded to the Guidelines via their addition to the UNC as a Related Document (TPD Section V12) would be useful for parties to the UNC and helps to embed the principles of good governance. The suggested governance arrangements would provide a proportionate and effective means of managing changes without the need to overburden unaffected parties. This has the potential to reduce costs and facilitate faster implementation of change proposals. This is consistent with the facilitation of Relevant Objective (f): promotion of efficiency in the implementation and administration of the Code.

## Implementation

It is proposed that this Modification is implemented as soon as reasonably practical and that the Guidelines be developed as part of this Proposal.

## 2 Why Change?

The implementation of Modification 0429 creates a claims process that allows Users to submit a claim, under certain circumstances, for a settlement error which occurred outside of the current reconciliation close out timescales.

In its decision letter, Ofgem noted “a need for further guidance and (better definition of the) assessment criteria against which the GTs may assess the claim”<sup>1</sup>.

The proposed Guidelines would provide a framework for Users and Transporters in operating the Customer Settlement Error Claims Process, by:

- Setting out the process for Users to submit a claim, including clarification of the eligibility criteria;
- Detailing the intended assessment criteria by the Transporters;
- Defining the process for Users and Transporters to resolve matters of clarity and also for acceptance or rejection of the claim.

The inclusion of these Guidelines as a UNC Related Document would improve the visibility of this document and allow for appropriate governance.

## 3 Solution

### Proposed Solution

It is proposed that the UNC be amended to include a reference to the Guidelines.

It is then suggested that the Customer Settlement Error Claims Process Guidance Document be accepted as a UNC Related Document, to provide clarity to potential claimants regarding the methodology under which the claims process will be managed.

It is suggested that the Guidelines be published and maintained in accordance with the requirements set out in Paragraph 12 of Section V of the UNC Transportation Principal Document.

#### User Pays

Classification of the modification as User Pays, or not, and the justification for such classification.

*As this Modification neither creates nor amends a service, and does not result in any changes to the Transporters' systems, it is not proposed to classify as User Pays.*

Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.

*Not applicable*

Proposed charge(s) for application of User Pays charges to Shippers.

*Not applicable*

0474

Modification

10 December 2013

Version 1.0

Page 4 of 6

<sup>1</sup> Uniform Network Code (UNC) 429: Customer Settlement Error Claims Process Decision Letter. 18<sup>th</sup> July 2013: p5.

Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

*Not applicable*

## 4 Relevant Objectives

Impact of the modification on the Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

### Relevant Objective (f) – promotion of efficiency in the implementation and administration of the Code

The visibility afforded to the Guidelines via their addition to the UNC as a Related Document (TPD Section V12) would be useful for parties to the UNC and helps to embed the principles of good governance. The suggested governance arrangements would provide a proportionate and effective means of managing changes without the need to overburden unaffected parties. This has the potential to reduce costs and facilitate faster implementation of relevant change proposals.

0474

Modification

10 December 2013

Version 1.0

Page 5 of 6

© 2013 all rights reserved

## 5 Implementation

It is proposed that the reference to the Guidelines be inserted into UNC as soon as reasonably practical and that the Guidelines be developed as part of the Modification.

It is suggested that the Guidelines are published on, or in advance of, the implementation date to enable industry parties to familiarise themselves with the associated methodology in advance of its implementation.

## 6 Legal Text

To follow.

## 7 Recommendation

The Proposer invites the Panel to:

- Determine that this Modification should be subject to self-governance;
- Determine that this Modification should progress to a Workgroup.