

UNC Final Modification Report		At what stage is this document in the process?
<h1>UNC 0660S:</h1> <h2>Amendment to PARR permissions to allow PAC to update with UNCC approval</h2>		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #00a651; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="background-color: #00a651; color: white; border-radius: 50%; padding: 2px 5px;">01</span> Modification         </div> <div style="border: 1px solid #0070c0; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="background-color: #0070c0; color: white; border-radius: 50%; padding: 2px 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid #8e44ad; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="background-color: #8e44ad; color: white; border-radius: 50%; padding: 2px 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid #f39c12; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 5px;"> <span style="background-color: #f39c12; color: white; border-radius: 50%; padding: 2px 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b></p> <p>To make the Performance Assurance Report Register (PARR) a UNC related document and therefore subject to the provisions under UNC TPD V 12. This will allow the Performance Assurance Committee (PAC) to request updates to the PARR without recourse to the full modification process but instead be able to submit requests for new and amended reports to the UNCC for approval.</p>		
	Panel consideration is due on <b>15 November 2018</b> ( <i>at short notice by prior agreement</i> )	
	High Impact: None	
	Medium Impact: Shippers, Transporters and CDSP	
	Low Impact: None	

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<b>Timetable</b>		
<b>Modification timetable:</b>		
Initial consideration by Workgroup	28 June 2018	
Amended Modification considered by Workgroup	27 September 2018	
Workgroup Report presented to Panel	18 October 2018	
Draft Modification Report issued for consultation	18 October 2018	
Consultation Close-out for representations	08 November 2018	
Final Modification Report available for Panel	09 November 2018	
Modification Panel decision	15 November 2018 ( <i>at short notice</i> )	
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## 1 Summary

### What

This proposal has been raised on behalf of the Performance Assurance Committee (PAC).

The Performance Assurance Report Register (PARR) was created in 2017 with the implementation of UNC Modification 0520A - Performance Assurance Reporting. The purpose of the PARR was to create a suite of reports which focused on reporting on inputs which have an impact on the accuracy of gas settlement. Amendments to the PARR can only be made by following the UNC modification process.

Since implementation a number of reports have been identified for potential inclusion into the PARR, however as a request for each proposed new report or amendment currently has to be progressed through the full UNC modification process, the PAC is not as agile and responsive as it could be.

### Why

Since the introduction of Project Nexus, a number of reports have been identified as being required for the PARR by the PAC. A modification proposal has recently been raised to add a proposed new report and following recent discussions at PAC, it is likely that at least one further modification will be needed in the near future to make further additions in relation to meter read performance. Raising a modification every time additional or changed reports are required is a cumbersome and ineffective way to manage the PARR suite of reports.

### How

It is proposed that the PARR is added to the list of UNC related documents so that provisions under UNC TPD V12 will apply. More specifically TPD V12.3 which states:

*Should a User or Transporter wish to propose modifications to any of the Documents, such proposed modifications shall be submitted to the Uniform Network Code Committee and considered by the Uniform Network Code committee or any relevant sub-committee where the Uniform Network Code Committee so decide by majority vote.*

Changes to the PARR will therefore be submitted to the UNCC for approval, following a period of industry consultation (and not subject to the UNC modification process).

This will ensure that industry oversight will remain in place, to ratify and/or challenge any requests from the PAC and enable the process to be undertaken in a more quick and efficient manner.

## 2 Governance

### Justification for Self-Governance

Panel determined the Modification is unlikely to have a material effect on competition between relevant Shippers and Suppliers or the administration of Code because the Modification is proposing a minor administrative change to the governance of PAC reports.

Modification 0660S will therefore follow self-governance procedures.

### Requested Next Steps

This Modification should:

- be considered a non-material change and subject to self-governance;
- be issued to consultation.

The Workgroup agrees with the Panels view on self-governance for the reasons set out above. The Workgroup considers this Modification is sufficiently developed to be issued to consultation.

## 3 Why Change?

The Performance Assurance Report Register (PARR) was created in 2017 with the implementation of UNC Modification 0520A. The purpose of the PARR was to create a suite of reports which focused on reporting on inputs which have an impact on the accuracy of gas settlement. Amended to the PARR could only be made by following the UNC modification process.

Since implementation a number of reports have been identified for potential inclusion into the PARR by the PAC, however as a request for each proposed new report or amendment currently has to be progressed through the full UNC modification process, the PAC is not as agile and responsive as it could be.

A modification proposal has recently been raised to add a proposed new report and following recent discussions at PAC, it is likely that at least one further modification will be needed in the near future to make further additions in relation to meter read performance. Raising a modification every time additional or changed reports are required is a cumbersome and ineffective way to manage the PARR suite of reports.

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## 4 Code Specific Matters

### Reference Documents

UNC TPD Section V

<https://www.gasgovernance.co.uk/TPD>

### Knowledge/Skills

Below is a link to the PARR.

<https://www.gasgovernance.co.uk/tpddocs>

## 5 Solution

It is proposed that the PARR is added to the list of UNC related documents so that provisions under TPD V12 will apply. More specifically TPD V12.3 which states:

*Should a User or Transporter wish to propose modifications to any of the Documents, such proposed modifications shall be submitted to the Uniform Network Code Committee and considered by the Uniform Network Code committee or any relevant sub-committee where the Uniform Network Code Committee so decide by majority vote.*

Changes to the PARR will therefore be submitted to the UNCC for approval, following a period of industry consultation (and not subject to the UNC modification process). In this way, further industry oversight will still be in place to add further checks and balances to any PAC requests for regular reports.

The PARR change process is proposed to work as follows (see the Performance Assurance Framework - Performance Assurance Reports Register published alongside this report):

1. PAC agree change to the PARR document;
2. PAC present change to the industry in the form of consultation with a 4 week period for comments;
3. Following closure of consultation period, the PARR change proposal is presented to the UNCC to approve the change by majority vote. A summary of any comments provided during the consultation process will also be provided to the UNCC;
4. Should the UNCC not approve the change to the PARR, the PAC have the right to raise a formal proposal via the UNC modification process.

It is also proposed that the current provisions under UNC Section V 16.1.2 (*“Any amendment to the Performance Assurance Report Registers shall be made in accordance with the Modification Rules and for such purposes the Performance Assurance Report Registers shall be deemed to be a part of the Code.”*) are removed.

## 6 Impacts & Other Considerations

### Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

None identified.

### Consumer Impacts

None identified.

Consumer Impact Assessment	
Criteria	Extent of Impact
Which Consumer groups are affected?	<ul style="list-style-type: none"> <li>None identified</li> </ul>
What costs or benefits will pass through to them?	Not applicable.
When will these costs/benefits impact upon consumers?	Not applicable.
Are there any other Consumer Impacts?	This Modification proposes a change to the governance arrangements for the PARR and there should be no direct or indirect impacts on consumers.

### Cross Code Impacts

None identified.

### EU Code Impacts

None identified.

### Central Systems Impacts

None identified.

### Workgroup Impact Assessment

The Workgroup notes that the proposals in this Modification should not have a material impact on the provisions and process in Code. However, it is noted that PAC should be able to manage the process of relevant and timely reporting or changes to reporting, by the submission of justified requests to the UNCC.

The Workgroup notes that the UNCC may choose to issue a proposed amendment to the PARR for additional consultation to seek wider industry views should the circumstances warrant such a view.

The Workgroup notes that the Performance Assurance Framework Document is to be amended to include the process set out in Section 5 above should this Modification be implemented (see the Performance Assurance Framework -- Performance Assurance Reports Register published alongside this report).

## Rough Order of Magnitude (ROM) Assessment

None identified.

### 7 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

This Modification would enhance Relevant Objective f) – Promotion of efficiency in the implementation and administration of the Code as it aims to simplify the administration associated with the development of PARR reporting arrangements. In addition, by making reporting more responsive, it would support PAC in its investigations of issues and risks and reduce the administrative burden on PAC.

### 8 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

## 9 Legal Text

Legal Text has been provided by Cadent and is included below. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

### Text Commentary

TRANSPORTATION PRINCIPAL DOCUMENT  SECTION V – GENERAL	Topic	Explanation
New paragraph 12.1(h)	UNC Related Documents	The proposed amendment makes the Performance Assurance Report Registers referenced in paragraph 16.5.1 a UNC Related Document to which the governance arrangements in the remainder of paragraph 12 apply.
Amendment to paragraph 16.5.2	Monthly Reports	The proposed amendment to paragraph 16.5.2 makes clear that any amendments to the Performance Assurance Report Registers should be made in accordance with paragraph 12.3.

### Text

See Text published alongside this Report.

## 10 Consultation

Panel invited representations from interested parties on 18 October 2018. The summaries in the following table are provided for reference on a reasonable endeavours basis only. We recommend that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

Implementation was unanimously supported in the 5 representations received.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
Cadent	Support	f - positive	<ul style="list-style-type: none"> <li>Agrees this change would assist the Performance Assurance Committee (PAC) in identifying and investigating potential gas settlement issues in a timely manner which should lead to a more effective Performance Assurance Framework.</li> </ul>

			<ul style="list-style-type: none"> <li>• The current process for PAC to gain access to reports required to carry out their duties can be slow as evidenced by Modification 0657S - Adding AQ reporting to the PARR Schedule reporting suite, which took 4 months from initial presentation at Panel to approval being given by Panel.</li> <li>• If the modification is implemented reports could be added to the PARR within a matter of weeks and not months. In addition, should the UNCC not be in a position to approve any PAC requested PARR changes then the current modification process can still be utilised.</li> <li>• Agrees with the Self-Governance status as this is a non-material change to the UNC.</li> <li>• Cadent have advised of some minor, non-material errors within the Legal Text provided, full details can be viewed on the published representation. These errors have been rectified and amended Legal text submitted to the Joint Office.</li> </ul>
NGN	Support	f - positive	<ul style="list-style-type: none"> <li>• Agrees that this modification would improve the PARR reporting arrangements by reducing the time and administration required to get key information and data needed to support PAC investigations.</li> <li>• Supports this modification because it would decrease the time required for requesting a change of reports for the PAC. This decrease will improve the timeliness of their investigations and allow PAC to be more responsive.</li> <li>• Agrees that the Self-Governance procedure should apply for this modification due to the change being a minor administrative change to the governance of PAC reports and should have no material impact on systems or processes.</li> </ul>
npower	Support	f - positive	<ul style="list-style-type: none"> <li>• The modification will provide PAC with greater flexibility to amend the reporting register, in order to monitor and tackle issues contributing to UIG and settlement risk. The modification also provides the necessary oversight (UNCC approval) to ensure appropriate checks and balances are maintained.</li> <li>• Agrees with the Self-Governance status.</li> </ul>
SGN	Support	f - positive	<ul style="list-style-type: none"> <li>• The modification will allow for the Performance Assurance Report Register (PARR) to increase its efficiencies in requests for additional reporting items. Since implementation of the PARR in 2017, many additional reports have been identified for inclusion into the overall</li> </ul>

			<p>suite of reports.</p> <ul style="list-style-type: none"> <li>• This modification simplifies the process of making changes to these reports, with additional items being submitted to the UNCC for approval rather than being subject to the lengthier UNC modification process.</li> <li>• The proposal promotes efficiency in the implementation and administration of the Code.</li> <li>• Agrees with the Self-Governance status.</li> </ul>
Wales & West Utilities	Support	f - positive	<ul style="list-style-type: none"> <li>• Supports implementation as it enables PAC to request additional reports in a timely manner. UNC Committee governance is appropriate. Agrees that this proposal simplifies the process of changing reports used by PAC.</li> <li>• Agrees this satisfies the self-governance criteria as it is not likely to have a material impact on commercial matters relating to the transportation of gas.</li> <li>• Some suggested edits to the Legal Text have been provided.</li> </ul>

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

## 11 Panel Discussions

## 12 Recommendations

### Panel Determination

Members agreed:

- that Modification 0660S **should [not]** be implemented

## 13 Performance Assurance Framework - PARR

A change marked version of the PARR has been published alongside to this report.