UNC Draft Modification Report

At what stage is this document in the process?

UNC 0830S:

Obligation for Shipper to pay CDSP for Class 1 read service



02	Workgroup Report
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Purpose of Modification:

This Modification amends the text for Modification 0710S - CDSP provision of Class 1 read service due to be implemented on 01 April 2023 to add an obligation for Shippers to pay the CDSP for the service.

Next Steps:

This Draft Modification Report is issued for consultation responses at the request of the Panel. All parties are invited to consider whether they wish to submit views regarding this Self-Governance Modification.

The close-out date for responses is 02 December 2022, which should be sent to enquiries@gasgovernance.co.uk. A response template, which you may wish to use, is at www.gasgovernance.co.uk/0830.

The Panel will consider the responses and agree whether or not this Self-Governance Modification should be made.

Impacted Parties:

High:

Low: Shippers

None:

Impacted Codes:

Possibly IGT UNC if the IGT UNC mirror Modification text has the same gap.

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1 Summary

What

A specific obligation for Shippers to pay the Central Data Service Provider (CDSP) for the Class 1 read service is required.

Why

The existing text for Modification 0710S - CDSP provision of Class 1 read service requires a Shipper with a Class 1 Supply Point to use the Class 1 read service but does not explicitly require the Shipper to pay the CDSP for the service although this might be assumed to be inferred. As there are no directly equivalent mandatory services, that are only required if a Shippers portfolio contains a Supply Point with a specific characteristic, it is prudent to insert text into Code to avoid the risk of a future dispute.

How

New text will be inserted into the Uniform Network Code (UNC), additional to and consistent with the text for 0710S. Hence this Modification needs to be implemented on 01 April 2022 immediately after the text for Modification 0710S is implemented.

2 Governance

Justification for Self-Governance

This Modification adds to the Modification 0710S - *CDSP provision of Class 1 read service* legal text to clarify a point that some may consider implicit in the 0710S text. Since Modification 0710S was Self-Governance, then this text which should have been included in 0710S is clarifying a Self-Governance Modification and hence this Modification should be Self-Governance.

We do not believe that this Modification qualifies for Fast Track Self-Governance.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- proceed to Consultation.

As this Modification provides clarity on a point that many may consider implied by the existing text for 0710S and the additional text is straightforward, no workgroup discussion is necessary.

3 Why Change?

Modification 0710S - CDSP provision of Class 1 read service requires the CDSP to provide the Class 1 read service to Shippers. However, there is no explicit obligation for Shippers to pay the CDSP for the service. Modification 0710S mandates Shippers to use the Class 1 read service provided by the CDSP and introduces a new DSC service line under Direct Services – Code Services. This service differs from other mandatory services in that it only applies where the Shipper has a Class 1 Supply Point. There are Specific Services that Shippers can opt in to, (for example the provision of the Class 1 within day reads will be a Specific Service);

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however, because Shippers with Class 1 Supply Points are mandated to use the Class 1 read service, this cannot be an 'opt-in' if they have a Class 1 Supply Point. We are not aware of any other CDSP services that are mandated only if a Shipper's portfolio contain a certain category of Supply Point or other characteristic. For these reasons inserting an explicit obligation into the UNC to make this clear is prudent to avoid any potential for future dispute even though the risk of this is small.

If the change is not made there is a risk that the CDSP may not be able to charge Shippers for the Class 1 read service.

4 Code Specific Matters

Reference Documents

Modification 0710S

0710S - CDSP provision of Class 1 read service | Joint Office of Gas Transporters (gasgovernance.co.uk)

Knowledge/Skills

Knowledge of DSC service lines.

5 Solution

Add text to the 0710S legal text that makes clear that the CDSP has the right to charge Shippers for the Class 1 read service.

6 Impacts & Other Considerations

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

None.

Consumer Impacts

There are no consumer impacts. This Modification only relates to charges paid by Shippers to the CDSP. What is the current consumer experience and what would the new consumer experience be?

No impact.

Impact of the change on Consumer Benefit Areas:		
Area	Identified impact	
Improved safety and reliability	None	

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Lower bills than would otherwise be the case	None
Reduced environmental damage	None
Improved quality of service For Class 1 Supply Points it removes the small risk of a future dispute between a Shipper and the CDSP about payments for the Class 1 read service but there would likely be no direct impact on customers.	Positive
Benefits for society as a whole	None

Cross-Code Impacts

IGTs may wish to consider whether their equivalent Modification contains the same gap.

EU Code Impacts

None.

Central Systems Impacts

There are no central systems impacts, this addresses a potential charging gap.

7 Relevant Objectives

Impact of the Modification on the Transporters' Relevant Objectives:				
Relevant Objective		Identified impact		
a)	Efficient and economic operation of the pipe-line system.	None		
b)	Coordinated, efficient and economic operation of	None		
	(i) the combined pipe-line system, and/ or			
	(ii) the pipe-line system of one or more other relevant gas transporters.			
c)	Efficient discharge of the licensee's obligations.	None		
d)	Securing of effective competition:	None		
	(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.			

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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 furthers relevant objective (f) *Promotion of efficiency in the implementation and administration of the Code* by removing the risk of a dispute between a Shipper and the CDSP regarding the right of the CDSP to charge for the Class 1 read service. Clarifying this point promotes efficiency in the administration of the Code.

8 Implementation

This Modification should be implemented immediately after Modification 0710S which has an implementation date of 01 April 2023.

9 Legal Text

Text Commentary

The text makes clear the right of the CDSP to charge Shippers for the Class 1 read service.

Text

Add the following text after the new clause 6.3.6 that will be inserted by Modification 0710S into UNC TPD M:

6.3.7 The Registered User of a Class 1 Supply Meter will pay appropriate charges in accordance with the CDSP DSC Annual Charging Statement in respect of the Daily Meter Readings obtained by the CDSP from the Datalogged Daily Read Equipment.

10 Recommendations

Panel's Recommendation to Interested Parties

The Panel have recommended that this report is issued to consultation and all parties should consider whether they wish to submit views regarding this Self-Governance Modification.