## UNC Final Modification Report

UNC 0830S:

At what stage is this document in the process?

01 Modification

02 Workgroup Report

03 Draft Modification Report

O4 Final Modification Report

# Obligation for Shipper to pay CDSP for Class 1 read service

## **Purpose of Modification:**

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

## **Next Steps:**

The Panel determined that this Self-Governance Modification should be implemented.

## **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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telephone

Version 2.0

15 December 2022

## 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 2023 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.

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); 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
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	
<ul><li>b) Coordinated, efficient and economic operation of</li><li>(i) the combined pipe-line system, and/ or</li><li>(ii) the pipe-line system of one or more other relevant gas transporters.</li></ul>	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 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

Legal Text has been provided by Wales and West Utilities and is included below.

#### **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 Consultation

Panel invited representations from interested parties on 18 November 2022. All representations are encompassed within the Appended Representations section.

The following table provides a high-level summary of the representations.

Implementation was unanimously supported in the 3 representations received.

Representations were received from the following parties:		
Organisation	Response	Relevant Objectives
Cadent Gas Ltd	Support	f) positive
Northern Gas Networks	Support	f) positive
Wales & West Utilities	Support	f) positive

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 Discussion

#### **Discussion**

The Panel Chair summarised that Modification 0830S would amend 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.

Panel Members considered the representations made noting that implementation was unanimously supported in the three representations received.

Panel Members agreed with respondents and the Proposer that this Modification would ensure the CDSP can charge Shippers for the Class 1 read service, in line with the implication in Modification 0710S.

The Effective Implementation Date should align with Modification 0710S.

#### **Consideration of the Relevant Objectives**

Panel Members considered Relevant Objective *f) Promotion of efficiency in the implementation and administration of the Code*, agreeing that implementation would have a positive impact because it adds clarity to Code regarding the payment expectation for the Class 1 Read Service.

#### **Determinations**

Panel Members voted unanimously that no new issues were identified as part of consultation.

Panel Members voted unanimously that there were no cross code impacts.

Panel Members voted unanimously to implement Modification 0830S.

## 12 Recommendations

#### **Panel Determination**

Panel Members agreed that Modification 0830S should be implemented.

## 13 Appended Representations

Representation - Cadent Gas Ltd

Representation – Northern Gas Networks

Representation - Wales & West Utilities



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Cadent Gas Limited

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30th November 2022

Your Reference: UNC Modification Proposal 0830S

<u>UNC Modification Proposal 0830S - Obligation for Shipper to pay CDSP for Class 1 read service</u>

Dear Bob,

B91 2AA

Thank you for your invitation seeking representations with respect to the above Modification Proposal which Cadent supports.

## Do you support or oppose implementation?

Support

## **Relevant Objective:**

f) Positive

## **Reason for support/opposition:**

Cadent believes this to be a sensible addition to and clarification of the existing 0710S Legal Text and as such furthers Relevant Objective f.

## **Implementation**

We agree with the proposer that the modification should be implemented in line with the implementation of 0710S.

#### **Impacts and Costs**

None

## **Legal Text**

We are satisfied that the legal text delivers the intent of the Solution.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

Nothing further to add

Please provide below any additional analysis or information to support your representation

Nothing further to add.

We trust that this information will assist in the compilation of the Final Modification Report. Please contact me on 07884 113385 (andy.clasper@cadentgas.com) should you require any further information.

Yours sincerely,

Andy Clasper



Joint Office

Enquiries@gasgovernance.co.uk

29th November 2022

Dear Joint Office,

#### Re: 0830S - Obligation for Shipper to pay CDSP for Class 1 read service

Thank you for the opportunity to provide representation on the above noted Modification Proposal. Please find below Northern Gas Network's (NGN) comments in respect of this change.

#### NGN supports this Modification Proposal.

#### Reason for support

We support this Modification as it should add clarity to the UNC in relation to the CDSP provision of Class 1 read service (0710S) in confirming a specific obligation regarding payment for the service rather than an inference. We therefore believe that this modification furthers Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code.

#### 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.

#### **Impacts and Costs:**

None identified.

#### **Legal Text:**

We believe the legal text provided should deliver the Solution set out in the modification.

Are there any errors or omissions in this Modification Report that you think should be taken into account? None identified.

#### Please provide below any additional analysis or information to support your representation

Please note, that whilst we support this change, we believe that the existing provisions would have allowed for this and therefore, this modification proposal just provides additional clarity.

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,

Tracey Saunders (via email)

Market Services Manager

Mobile: 07580 215 743

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## Representation - Draft Modification Report UNC 0830S Obligation for Shipper to pay CDSP for Class 1 read service

## Responses invited by: 5pm on 02 December 2022

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Tom Stuart
Organisation:	Wales & West Utilities
Date of Representation:	25.11.22
Support or oppose implementation?	Support
Relevant Objective:	f) Positive

## Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Wales & West Utilities as the proposer supports this modification as it ensures the appropriate continuation of the class 1 read service by removing ambiguity from code. It thereby furthers relevant objective f) Promotion of efficiency in the implementation and administration of the Code.

**Self-Governance Statement:** Please provide your views on the self-governance statement.

We believe that this modification meets the self-governance criteria.

Implementation: What lead-time do you wish to see prior to implementation and why?

None

**Impacts and Costs:** What analysis, development and ongoing costs would you face?

None

**Legal Text:** Are you satisfied that the legal text will deliver the intent of the Solution?

Yes

Are there any errors or omissions in this Modification Report that you think should be taken into account? Include details of any impacts/costs to your organisation that are directly related to this.

None

Please provide below any additional analysis or information to support your representation

None