

Representation - Draft Modification Report

UNC 0636 0636A 0636B 0636C 0636D

Updating the parameters for the NTS Optional Commodity Charge

Responses invited by: **5pm on 14 June 2018**

To: enquiries@gasgovernance.co.uk

Representative:	Matthew Hatch
Organisation:	National Grid
Date of Representation:	14 th June 2018
Support or oppose implementation?	0636 - Comments 0636A - Comments 0636B - Comments 0636C - Comments 0636D - Comments
Expression of preference:	<i>If either 0636, 0636A, 0636B, 0636C or 0636D were to be implemented, which would be your preference?</i> No preference
Relevant Objectives:	0636: g) None 0636A: g) None 0636B: g) None 0636C: g) None 0636D: g) None

Relevant Charging Methodology Objectives:	<p>0636: a) Positive b) None c) Positive e) None</p> <p>0636A: a) Positive b) None c) Positive e) None</p> <p>0636B: a) Positive b) None c) Positive e) None</p> <p>0636C: a) Positive b) None c) Negative e) None</p> <p>0636D: a) Positive b) None c) Negative e) None</p>
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Reason for support/opposition/preference: Please summarise (in one paragraph) the key reason(s)

0636:

Modification 0636 seeks to introduce changes to the current OCC arrangements; however National Grid has proposed a new OCC regime as part of the wider charging review modification 0621 wef 1st October 2019. National Grid has been engaging with the industry for a number of years and raised this proposal in June 2017. Furthermore National Grid also intends to develop enduring OCC (shorthaul) arrangements from 2021 via a UNC Review Group.

National Grid has certain Licence obligations in relation to implementing some aspects of Regulation (EU) 2017/460 (TAR code) and wider aspects of (EU) 715/2009. National Grid continues to focus on aspects relating to the charging review via 0621 (and its alternatives).

0636A

Modification 0636A seeks to introduce changes to the current OCC arrangements; however National Grid has proposed a new OCC regime as part of the wider charging review modification 0621 wef 1st October 2019. National Grid has been engaging with

the industry for a number of years and raised this proposal in June 2017. Furthermore National Grid also intends to develop enduring OCC (shorthaul) arrangements from 2021 via a UNC Review Group.

National Grid has certain Licence obligations in relation to implementing some aspects of Regulation (EU) 2017/460 (TAR code) and wider aspects of (EU) 715/2009. National Grid continues to focus on aspects relating to the charging review via 0621 (and its alternatives).

0636B

Modification 0636B seeks to introduce changes to the current OCC arrangements; however National Grid has proposed a new OCC regime as part of the wider charging review modification 0621 wef 1st October 2019. National Grid has been engaging with the industry for a number of years and raised this proposal in June 2017. Furthermore National Grid also intends to develop enduring OCC (shorthaul) arrangements from 2021 via a UNC Review Group.

National Grid has certain Licence obligations in relation to implementing some aspects of Regulation (EU) 2017/460 (TAR code) and wider aspects of (EU) 715/2009. National Grid continues to focus on aspects relating to the charging review via 0621 (and its alternatives).

0636C

Modification 0636C seeks to introduce changes to the current OCC arrangements; however National Grid has proposed a new OCC regime as part of the wider charging review modification 0621 wef 1st October 2019. National Grid has been engaging with the industry for a number of years and raised this proposal in June 2017. Furthermore National Grid also intends to develop enduring OCC (shorthaul) arrangements from 2021 via a UNC Review Group.

National Grid has certain Licence obligations in relation to implementing some aspects of Regulation (EU) 2017/460 (TAR code) and wider aspects of (EU) 715/2009. National Grid continues to focus on aspects relating to the charging review via 0621 (and its alternatives).

0636D

Modification 0636D seeks to introduce changes to the current OCC arrangements; however National Grid has proposed a new OCC regime as part of the wider charging review modification 0621 wef 1st October 2019. National Grid has been engaging with the industry for a number of years and raised this proposal in June 2017. Furthermore National Grid also intends to develop enduring OCC (shorthaul) arrangements from 2021 via a UNC Review Group.

National Grid has certain Licence obligations in relation to implementing some aspects of Regulation (EU) 2017/460 (TAR code) and wider aspects of (EU) 715/2009. National Grid continues to focus on aspects relating to the charging review via 0621 (and its alternatives).

Implementation: *What lead-time do you wish to see prior to implementation and why? Please specify which Modification any issues relate to.*

National Grid would need to calculate, validate and publish new OCC rates which would need a lead time of three months.

636 and 636A would need Xoserve to develop new reporting capability to support National Grid in operation of the new changes in the short term, moving to a more systemised solution if a proposal were to become enduring. 636C and 636D would need a system solution from the outset and Xoserve expressed a view that these could not be delivered during this year.

Any of these changes (if approved) would need to be assessed by the DSC Change Committee to schedule any change (report or otherwise) in the prioritisation process.

Any implementation dates would need to consider an appropriate lead time for revised charges and system changes.

Impacts and Costs: *What analysis, development and ongoing costs would you face? Please specify which Modification any issues relate to.*

Xoserve have provided a ROM for each proposal. It would be difficult to quantify ongoing business costs at this stage as depending on which proposal is approved, whether it is enduring or not and how to manage such changes to current arrangements.

National Grid would also need to further understand whether there are any impacts (or not) to the current in-flight project with Xoserve to deliver requirements from the gas charging review from modification 0621 and its alternatives.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution? Please specify which Modification any issues relate to.*

National Grid has provided the text on behalf of the proposers. All proposers have agreed with the relevant legal text.

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

Assuming one of the proposals is approved for implementation into the UNC and therefore enduring (unless another separate modification is subsequently approved wef 1st October 2019) then an assessment would be needed against the EU TAR code.