














| UNC Draft 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>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div> |
| <p>Purpose of Modification:</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> | | |
|  | <p>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.</p> <p>The close-out date for responses is 08 November 2018, which should be sent to enquiries@gasgovernance.co.uk. A response template, which you may wish to use, is at: http://www.gasgovernance.co.uk/0660</p> <p>The Panel will consider the responses and agree whether or not this self-governance modification should be made.</p> | |
|  | <p>High Impact:</p> <p>None</p> | |
|  | <p>Medium Impact:</p> <p>Shippers, Transporters and CDSP</p> | |
|  | <p>Low Impact:</p> <p>None</p> | |

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| Timetable | |  Any questions? |
| Modification timetable: | | Contact: Joint Office of Gas Transporters |
| | |  enquiries@gasgovernance.co.uk |
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| | | Proposer: Graham Wood British Gas |
| | |  graham.wood@centrica.com |
| | |  07979 567686 |
| | | Transporter: Chris Warner Cadent |
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| | |  UKLink@xoserve.com |
| | | |

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"> None identified |
| 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 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.

11 Performance Assurance Framework - PARR

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