











| UNC Draft Modification Report | At what stage is this document in the process? |
|--|--|
| <h1 data-bbox="132 394 727 488">UNC 0793S:</h1> <h2 data-bbox="132 521 1174 734">Determination of Charging Area CVs (Daily CVs) – Modification of Calculation Process Arrangements</h2> | <div data-bbox="1212 387 1473 712"> <div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div> </div> |
| <p>Purpose of Modification:</p> <p>This Modification will amend the UNC OAD due to the election by National Grid NTS (NGG) to terminate the provision of the Daily Calorific Value (CV) calculation service to the gas Distribution Network Operators (DNOs) under UNC OAD Section F effective from 01 April 2021. The existing interim service provision by NGG will cease on 31 March 2022.</p> | |
| <p>Next Steps:</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 11 February 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/0793.</p> <p>The Panel will consider the responses and agree whether or not this Self-Governance Modification should be made.</p> | |
| <p>Impacted Parties:</p> <p>High: Transporters & CDSP</p> <p>Medium:</p> <p>Low: Shippers</p> <p>None:</p> | |
| <p>Impacted Codes:</p> <p>Uniform Network Code (UNC) – Transportation Principal Document (TPD) & Offtake Arrangements Document (OAD)</p> | |

| Contents | |  Any questions? |
|---|--------------------------------|--|
| 1 | Summary | 3 |
| 2 | Governance | 3 |
| 3 | Why Change? | 4 |
| 4 | Code Specific Matters | 4 |
| 5 | Solution | 5 |
| 6 | Impacts & Other Considerations | 6 |
| 7 | Relevant Objectives | 8 |
| 8 | Implementation | 8 |
| 9 | Legal Text | 9 |
| 10 | Recommendations | 9 |
| Timetable | |  0121 288 2107 |
| Modification timetable: | | Proposer: David Mitchell SGN |
| Pre-Modification Discussed | 25 November 2021 |  enquiries@gasgovernance.co.uk |
| New Modification to be considered by Panel | 16 December 2021 |  David.mitchell@sgn.co.uk |
| First Workgroup Meeting | 07 January 2022 |  07799 343 082 |
| Workgroup Report to be presented to Panel | 13 January 2022 | Transporter: SGN |
| Draft Modification Report issued for consultation | 20 January 2022 |  David.mitchell@sgn.co.uk |
| Consultation Close-out for representations | 11 February 2022 |  07799 343 082 |
| Final Modification Report available for Panel | 09 February 2022 | Systems Provider: Xoserve |
| Modification Panel decision | 17 February 2022 |  UKLink@xoserve.com |
| | | Other: Sally Hardman |
| | |  sally.hardman@sgn.co.uk |
| | |  07970 019027 |
| | | |

1 Summary

What

This Modification seeks to change the existing arrangements set out within the UNC Offtake Arrangements Document (OAD) which describes the arrangement for calculating the Daily CVs for Distribution Network Operators (DNOs) charging areas (Local Distribution Zones or LDZs).

Why

The arrangements in relation to National Grid NTS (NGG) calculation of the Daily Calorific Values (CVs) set out in UNC OAD ceased on the 01 April 2021 due to NGG's election to terminate its service to Distribution Network Operators (DNOs) by National Grid NTS (as provided for under OAD Section F4.1.2).

The changes set out in this Modification are required to ensure the obligations to provide the Daily Calorific Values (CVs) calculation are correctly reflected in the UNC OAD and to remove the redundant obligations on National Grid NTS.

How

This Modification proposes to amend the UNC and any supporting documentation so that it reflects the changes to the provision of the Daily Calorific Value (CVs) Service from NGG to the Central Data Service Provider (CDSP) (Xoserve).

Where necessary changes will be made to UNC TPD Section C and OAD Section F in addition to the OAD Subsidiary Document - Offtake Communications Document.

2 Governance

Justification for Self-Governance

This Modification is considered capable of proceeding under Self-Governance arrangements as it is unlikely to have a material effect on:

- on existing or future gas consumers
- competition
- the operation of pipe-line systems
- matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies;
- the Uniform Network Code governance procedures or the Network Code Modification procedures; and
- is unlikely to discriminate between different classes of parties to the Uniform Network Code/relevant gas transporters, gas shippers or DN operators.

Furthermore, this Modification demonstrates that industry parties are capable of utilising the industry-led self-regulatory approach to code governance in applying changes to existing process, without recourse to the Authority.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- be assessed by a Workgroup.

The new process needs to be in place by the 1st April 2022, hence the timeline of this Modification has one month development time at Workgroup. We believe that this is an enabling Modification and is unlikely to take any longer.

The changes proposed within this Modification are a result of the notice of cessation of the Daily Calorific Values (CVs) Service by NGG.

Modification 0719R - Calculation of Energy Value of Gas review group attended by Transporters, Shippers and the CDSP undertook significant development and review of the existing obligations and processes with the proposed changes being high level changes to these obligations.

3 Why Change?

The driver of this change is the election by NGG that they are no longer in a position to provide the Daily CV calculation service. NGG provided the notification electing to terminate these arrangements providing the appropriate notice period as required UNC OAD Section F 4.1.2.

The effect of not implementing this change would retain UNC obligations and processes which are no longer applicable or required (and therefore redundant in the case of OAD Section F4).

For the avoidance of doubt:

It is proposed that the CDSP, acting on behalf of the DNOs will take over the provision of the new daily CV service in its entirety from National Grid NTS. For the avoidance of doubt, the CDSP will provide the service on an 'as is' basis and there are no proposed changes to:

- The daily CV calculation.
- Existing file formats / types / frequency and timing.
- Information provision e.g. frequency and timing of SC9 files to Shippers; publication on National Grid NTS MIPI, (Data Explorer), Gemini.

4 Code Specific Matters

Reference Documents

For the avoidance of doubt, currently DNOs monitor, measure or have access to measurement data for the energy value of gas at input points into the distribution networks and provide this data to NGG to enable the calculation of Daily CVs (as an Interim Service arrangement ending on 31 March 2022) that are used for all energy settlements and for provision through to industry for billing purposes. Gas Transporters have specific obligations under The Gas (Calculation of Thermal Energy) Regulations to determine CVs for their specific charging areas. NGG uses the Daily CVs to calculate daily CV shrinkage, (in accordance with General Terms C3.3.3), energy balancing requirements and also uses the data once a year to calculate CO2 emission factors for their compressors (this is not required by The Gas (Calculation of Thermal Energy Regulations). The information (CV, volume, and energy figures per LDZ) is currently published in NGG's Market Information Provision Initiative (MIPI) system and on the National Grid Data Item Explorer. In the interests of convenience

for Shippers and non-fragmentation of information, this information needs to continue to be published in a central easily accessible location, preferably together with other relevant information. This Modification does not propose to modify these specific arrangements.

NGG is also the only party that has access to information to establish the directional flow of the gas within the national gas transmission system and this information should be made available when necessary by the NGG to ensure Attribution Mapping is kept up to date.

As set out in OAD Section F1.2, Code Parties acknowledge that each DNO is required by the Gas (Calculation of Thermal Energy) Regulations 1996 to determine Daily CVs for Charging Areas (LDZ) within their respective networks. Whilst Section F4 reflected arrangements for NGG to determine Daily CVs on behalf of DNOs, Section F4.1.2 also provided NGG with the option to elect to discontinue the provision of Daily CVs by provision of six months' notice that it would discontinue those arrangements to determine Daily CVs on behalf of DNOs.

The regulations referred to above are the Gas (Calculation of Thermal Energy) Regulations 1996. These were issued in 1996 and amended in 1997, 2002 and 2015. Links are below:

[The Gas \(Calculation of Thermal Energy\) Regulations 1996](#)

[The Gas \(Calculation of Thermal Energy\) \(Amendment\) Regulations 1997](#)

[The Gas \(Calculation of Thermal Energy\) \(Amendment\) Regulations 2002](#)

[The Gas \(Calculation of Thermal Energy\) \(Amendment\) Regulations 2015](#)

UNC and OAD supporting documentation impacted by this modification are linked below:

[UNC TPD Section C \(Nominations\)](#)

[UNC OAD Section F \(Determination of Calorific Value\)](#)

[OAD Subsidiary Document - Offtake Communication Document](#)

Knowledge/Skills

None.

5 Solution

As at the 31st March 2022 and following NGG's election to terminate the service provided under OAD Section F4 (from 1st April 2021) and the subsequent provision of a 12 month's interim service, NGG will no longer determine the Daily CVs on behalf of Distribution Network Operators for their respective charging areas.

The CDSP, going forward will determine the Daily CVs on behalf of Distribution Network Operators for their respective charging areas.

This Modification is required in order to facilitate the transition of the calculation of the Daily CV service from NGG to the DNOs who will procure this from the CDSP

As a consequence of this change, NGG will no longer receive the files from DNOs enabling the determination of the Daily CVs on behalf of the DNOs.

DNOs and NGG will provide relevant data to the CDSP to allow the determination of the DNOs Daily CVs for their respective charging areas. The CDSP will share the output of this process to DNOs to fulfil the existing obligations set out within UNC OAD Section F.

For the avoidance of doubt, the CDSP shall have no responsibility for the obtaining or determination of average calorific value or volume relating to particular input points and output point, or as to the correctness or accuracy of such data.

As a result of the change in service provider the following areas of UNC and OAD supporting documents will require amendment.

- UNC OAD Section F (Determination of Calorific Value)
 - The requirement to remove NGG as the provider of the calculation of the Daily Calorific Values (CVs) on behalf of DNOs.
 - Updating the new provider of the Daily Calorific Values (CVs) calculation.
 - NGG will provide information when necessary in relation to configuration changes within the national gas transmission system to support the Attribution Mapping process. If necessary NGG shall collaborate with the DNO's to ensure a suitable alternative Attribution Mapping is derived.
- UNC TPD Section C1.6 – CV Value
 - Changes required to address the reference from Transporter to DNO.
- OAD Related Document - Offtake Communication Document
 - OAD Clauses F in relation to the information currently exchanged between DNOs and National Grid NTS for the purposes of determining the Daily Calorific Values (CVs).

6 Impacts & Other Considerations

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

No, this Modification has no impact on current SCRs.

Consumer Impacts

No consumer impacts identified as this Modification impacts communications between Transporters and the CDSP and has no impacts on other Code or non-Code parties.

What is the current consumer experience and what would the new consumer experience be?

None – this will continue.

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 | None |
| Benefits for society as a whole | None |

Cross-Code Impacts

None identified as this Modification only impacts UNC DNOs and the CDSP.

EU Code Impacts

None identified.

Workgroup 7 January made no further comment.

Central Systems Impacts

This Modification will require the inclusion of a new service provision by the CDSP (Xoserve) and will impact both UKLink and Gemini systems.

The CDSP have scoped and solutioned the new Daily CV calculation service via the Data Services Contract (DSC) Change Management Committee (ChMC) under change proposal XRN5231 – Provision of a FWACV Service [XRN5231 – Provision of a FWACV Service](#)

Additionally, there are consequential changes required for Gemini Systems which have been raised by National Grid NTS and included within the scope of XRN5231.

Workgroup Impact Assessment *(Joint Office to complete)*

All Workgroup participants recognised that a fundamental design requirement of the solution was to ensure that the process to derive Calorific Values remained as similar to current with no impact to Users.

All Workgroup participants on 7 January agreed that there is no impact on the outputs that will be seen by Shippers (the SC9 file and the MIPI Data Item Explorer) – as outlined by the proposer in the section above on ‘Why Change’. Workgroup participants also acknowledged that there is further background information that has been discussed under Mod review 0719R.

[Request Workgroup Report 0719R v1.0 \(for Panel Clean\).pdf \(gasgovernance.co.uk\)](#)

Workgroup participants debated and agreed the changes to the relationships between DNs, National Grid and the CDSP and how those changes should be reflected in the drafting of the solution.

Rough Order of Magnitude (ROM) Assessment *(Cost estimate from CDSP)*

The relevant documents may be found here-

www.xoserve.com/change/change-proposals/xrn-5231-provision-of-a-fwacv-service/

www.xoserve.com/media/42756/revised-ber-for-xrn5231.pdf

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 (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 |

Relevant Objective f) is furthered as not modifying UNC TPD Section C and OAD Section F to reflect the new arrangements would leave redundant provisions in the UNC setting out processes undertaken by a party which has given the requisite notice to discontinue performance of a Daily CV Calculation service, therefore the administration of the UNC would be positively impacted by the implementation of this UNC Modification.

Workgroup comments

A workgroup participant agreed that removal of redundant provisions is appropriate and better facilitates Relevant Objective f). A workgroup participant also noted that the UNC as amended by this modification will reflect the new arrangements and that the new service will be provided pursuant to the DSC.

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. However, implementation of this Modification and associated Legal Text should align with implementation of the associated DSC Change Proposal XRN5231.

9 Legal Text

Legal Text has been provided by SGN and is published alongside this report. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

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.