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24th May 2021
Your Reference: UNC Modification Proposal 0674

UNC Modification Proposal 0674 - Performance Assurance Techniques and Controls

Dear Bob,

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

Do you support or oppose implementation?

Comments provided

Relevant Objective:

- d) Positive
- f) Negative

Reason for support/opposition:

Cadent supports the overarching intent of the modification which seeks to put in place more robust performance assurance arrangements which include additional formal techniques PAC can utilise to fully carry out its duties.

We believe Relevant Objective f to be negative due to the potential lack of UNCC oversight or control and the potential for meetings to be chaired by non J.O parties.

We would like to make the following observations regarding some of the content of the modification and potential consequences/impacts

- By ensuring that PAC is autonomous and able to amend its own Performance Assurance Framework Document, governance of its activities may be weakened. The DSC model was used in the construction of the PAC governance arrangements within the modification but

didn't include the additional constraints upon the DSC outlined within UNC General Terms D. If the modification is implemented, and parties were not happy with PAC decisions or 'direction of travel', then the only routes to challenge would be an appeal to UNCC (which PAC are not obliged to adhere to any outcome) or the raising of another modification.

- In the rare circumstances in which the J.O are not able to provide either a Chair or a Secretary, then the modification allows for the PAFA to provide such positions to ensure the meeting can go ahead. This situation would lead to a UNC meeting going ahead without the J.O being present.

Implementation

We agree that implementation timescales suggested within the modification as three months after Authority decision are appropriate.

Impacts and Costs

None identified

Legal Text

We are aware that concerns have been raised regarding whether the legal text matches the intent of the business rules, specifically BR 2a.

We acknowledge that Panel and UNCC are not specifically called out within the legal text as the entities are not specific parties to code although the constituent members on the whole are. It would therefore seem sensible, if required, to amend the wording of the modification as opposed to the legal text. Apart from this our view is that legal text does deliver the intent of the modification.

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

Nothing further to add.

Modification Panel Members have requested that the following questions/considerations are addressed:

Q1: Provide a view on whether respondents think it is appropriate to impact non-UNC parties with this proposal?

As drafted, it is our view that the legal text doesn't place specific obligations on 3rd parties but requires the Shipper to ensure it is fully accountable for 3rd party activity; this seems appropriate. This may well impact 3rd parties where Shippers need to include/enhance contract terms.

Q2: Consider impact of proposal for the overarching principle to apply to Modification Panel, UNCC, Sub Committees and Parties as set out in business rule 2a.

As mentioned previously the Modification Panel, UNCC or other Sub Committees are not explicitly called out within the legal text.

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