

Agenda: Pre-Modification Panel Briefing
Meeting Details: 13:00, 18 April 2017
Teleconference: 0207 950 1251, access code 21870295#
Documentation at: <http://www.gasgovernance.co.uk/panel/200417>

Dear Colleague,

Please note that we will be hosting a pre-Modification Panel briefing by teleconference starting at **13:00 on Tuesday 18 April 2017**. Discussions will be based on the Modification Panel agenda (<http://www.gasgovernance.co.uk/panel/200417>).

This pre-Panel briefing is intended to provide, in particular, an opportunity for smaller parties, including customer representatives as well as smaller Shippers and Suppliers, an opportunity to feed views into the modification process at critical stages. We therefore expect to focus on new Modifications and those on which the Panel will debate whether or not implementation is supported. Similar teleconferences are held prior to each monthly Modification Panel meeting (third Thursday of the month). Any views on which information would be most helpful to you, or on the time and format of the teleconference, would be welcome.

Modifications that are on this month's Panel agenda are:

New Modifications

Modification 0615 – Representation on DSC Committees – amendment to include mid-year appointments

Proposed by E.ON

This modification seeks to enable mid-year changes to DSC Committee Representation to enable parties to take up representation of their Class Category on the DSC Committees in the event that their representation is being facilitated by another Class Representative.

It includes provisions for seeking approval for the change of representation from relevant industry colleagues and for 'retiring' the person/s providing representation outside of their own class.

The Proposer is seeking self-governance status for this modification on the basis that it has no material impact on the governance set out in the UNC because it maintains the intent of the original enabling Modification UNC0565A.

<http://www.gasgovernance.co.uk/0615>

Modification 0616 – Capacity Conversion Mechanism for Interconnection Points

Proposed by National Grid NTS

This modification seeks to introduce a new mechanism to enable Users who hold unbundled capacity on one side of an Interconnection Point (IP) to then acquire matching unbundled capacity on the other side of the IP. Driven by requirements of the EU Capacity Allocation Mechanisms Code (CAM), it is necessary because priority is given to offering capacity as bundled. A User may find that they have no option but to buy a new

bundled product to acquire capacity on both sides of the IP, meaning that the user will have purchased capacity twice on one side of the IP. The Solution defines the preconditions that need to be satisfied, the validation to be performed by NTS and the enabling actions.

The Proposer is seeking self-governance status for this modification on the basis that there is no material impact on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes.

<http://www.gasgovernance.co.uk/0616>

Modification 0617 – Revised UK Link Manual delivery date

Proposed by National Grid Gas Distribution Ltd

This modification seeks to amend the delivery date set out in the UNC for the revised Manual. It is necessary because the amount and complexity of the amendments required have made the task more difficult than was envisaged during the development of Modification 0565A CDSP General Framework and Obligations. It is believed that the additional time will ensure that the accuracy of the document will be assured.

The Proposer is seeking self-governance status for this modification on the basis that it has no material impact on any of the self-governance criteria since it is a direct replacement for the existing version. In addition, the Proposer recommends that it should be issued directly to a brief consultation in order to ensure that the date can be amended before the current delivery date of 01 June 2017.

<http://www.gasgovernance.co.uk/0617>

Implementation Recommendations

Modification 0609 - Transitional arrangements for gas settlement and replacement of Meter Readings (Project Nexus transitional modification)

This modification identifies arrangements relating to Supply Point classification, energy settlement & reconciliation and replacement of Meter Readings to enable an orderly and efficient transition from current UNC terms to the UNC regime identified within UNC Modification 0432, 'Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform' and Modification 0434, 'Project Nexus – Retrospective Adjustment'.

It will: align the UNC Transition Document to the current Project Nexus Implementation Date of 01 June 2017; clarify several low-level rules, recognise the Central Data Services Provider in anticipation of one of the UNC 0565 alternates, and clarify the arrangements when meter readings are replaced.

In the 0609 consultation 10 representations were received; 8 supported implementation, 1 provided qualified support and 1 provided comments. Respondents generally agreed with the proposer that this modification was necessary to ensure that an effective transition took place, although some noted that it was the only option available to them.

Some comments were received highlighting concerns that the proposal removed an explicit requirement for an AQ Review. Panel members will be asked whether consultation responses have raised any new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend that the modification should be implemented.

<http://www.gasgovernance.co.uk/0609>

Self-Governance Implementation

Modification 0604S - Central Data Service Provider - Arrangements following implementation of Project Nexus

This modification identifies measures necessary to ensure the Xoserve Funding, Governance and Ownership (FGO) arrangements continue to be effective upon implementation of Project Nexus by aligning the amended services to the Central Data Service Provider (CDSP) direct and agency service structure.

In the 0604S consultation 10 representations were received and implementation was unanimously supported. Respondents agreed that the proposal ensured that the CDSP arrangements would continue to be effective after the delivery of Project Nexus. Panel members will be asked whether consultation responses have raised any new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend that the modification should be implemented.

<http://www.gasgovernance.co.uk/0604>

Modification 0606S - National Grid Gas plc and National Grid Gas Distribution Ltd transitional invoicing arrangement post Project Nexus implementation

This modification proposes transitional UNC terms to accommodate restrictions to changes to the new UK Link system being delivered under Project Nexus.

It allows for a combined NTS/NGGDL transportation invoice to be issued as per the original Nexus design and the NTS charges would be immediately credited and then re-invoiced separately on behalf of NTS. This approach maintains the intent of Modification 0592S (Separation of National Grid Transmission and Distribution owned networks – Transitional invoicing arrangements) without impacting Shipper credit positions, although it is recognised that additional invoices are involved.

In the 0606S consultation 10 representations were received (including two received late); 6 supported implementation, 2 provided qualified support and 2 were not in support. Respondents generally agreed with the intent of the proposal, however several concerns were identified about the additional transaction costs that would potentially be passed on to consumers. In addition, two respondents believed that Ofgem scrutiny of the proposal was necessary. Panel members will be asked whether consultation responses have raised any new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend that the modification should be implemented.

<http://www.gasgovernance.co.uk/0606>

Modification 0608S - Implementation of 'single service provision' arrangements for iGT connected system exit points (Project Nexus transitional modification)

This modification identifies changes to the UNC Transition Document to facilitate an orderly move from the existing arrangements governing unmetered connected Independent Gas Transporter (iGT) systems (Connected Systems Exit Points - CSEPs) to the new 'single service provision' UNC framework to be implemented under UNC Modification 0440 'Project Nexus – iGT Single Service Provision'.

In the 0608S consultation 8 representations were received and implementation was unanimously supported. Respondents agreed that the proposal enables an efficient transition to the new iGT arrangements within the UK Link arena. Panel members will be asked whether consultation responses have raised any new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend that the modification should be implemented.

<http://www.gasgovernance.co.uk/0608>

Modification 0610S - Project Nexus - Miscellaneous Requirements

This modification seeks to align the UNC with the as-built UK Link system, recognising that a series of project delivery-based decisions have been taken during the build phase.

For Sections G, H, M and the Transition Document it will: align the UNC with the Business Requirements documents that changed since the initial implementation decisions; amend inaccurate code references; update defined terms and definitions, and remove unnecessary legal text.

In the 0610S consultation 10 representations were received and implementation was unanimously supported. Respondents agreed that the proposal addresses the changes that have become necessary during the system build phase. Panel members will be asked whether consultation responses have raised any new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend that the modification should be implemented.

<http://www.gasgovernance.co.uk/0610>

I hope this summary is helpful.

Regards,

Les Jenkins
Joint Office of Gas Transporters
Tel: 0121 288 2107
Email: enquiries@gasgovernance.co.uk

UNC related documents can be accessed via our website: www.gasgovernance.co.uk