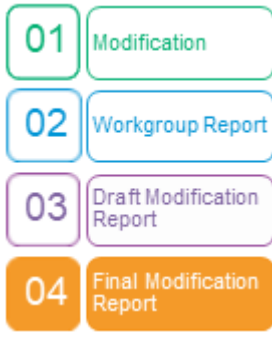





UNC Draft Modification Report	At what stage is this document in the process?
<h1>UNC 0794S:</h1> <h2>Obligation for DNOs to Continue Provision of Gas Composition Information to National Grid NTS</h2>	
<p>Purpose of Modification:</p> <p>This Modification would formalise in the UNC the existing provision of daily information from the Distribution Network Operators (DNOs) to National Grid NTS (National Grid) regarding gas composition at specified points on their respective networks.</p>	
<p>Next Steps:</p> <p>Panel consideration is due on 17 March 2022 (at short notice by prior agreement)</p>	
<p>Impacted Parties:</p> <p>High: None</p> <p>Low: Gas Distribution Network Operators, National Grid NTS</p> <p>None: Shipper Users</p>	
<p>Impacted Codes:</p> <p>None</p>	

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Modification timetable:	
New Modification to be considered by Panel	16 December 2021
First Workgroup Meeting	07 January 2022
Workgroup Report to be presented to Panel	17 February 2022
Draft Modification Report issued for consultation	18 February 2022
Consultation Close-out for representations	11 March 2022
Final Modification Report available for Panel	14 March 2022
Modification Panel decision	17 March 2022


 Any questions?


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Summary

What

National Grid utilises gas quality data currently provided by DNOs in order to calculate emissions of certain gasses from its compressor fleet pursuant to a number of UK regulations. In absence of any change to the Uniform Network Code (UNC), at the conclusion of National Grid's current interim service for determination of charging area Calorific Values (CVs) (the 'interim service') there will be no contractual obligations on the DNOs to provide the necessary gas quality information to National Grid to enable determination of quantities of such from its compressor fleet.

Why

The relevant gas quality information was previously provided to National Grid by DNOs as part of the dataset (currently comprised in the 'ZO' file) used by National Grid to determine charging area CVs on behalf of DNOs under Section F of the Offtake Arrangements Document (OAD). Following the discontinuation of this service under the OAD, this data has continued to be provided by DNOs to enable National Grid to enable it to provide an 'interim service' under a separate contractual arrangement outside the UNC. Following the end of this interim service (expected to be the end of March 2022) DNOs will prospectively determine the charging area CVs via a new service provider (the 'enduring service').

How

It is proposed that a new obligation is included in the OAD for DNOs to formalise the existing provision of daily information to National Grid regarding gas quality at specified points on their respective networks. This obligation is required to be in place in time for commencement of the enduring service.

It is proposed that a DNO is able to recover from National Grid reasonable costs of providing this information.

Governance

Justification for Self-Governance

Panel determined the Modification is unlikely to have a material effect on the aspects described in the Self-Governance criteria. Specifically, the proposed obligation seeks to formalise the existing provision of data which is already collected by DNOs and provided to National Grid in order to facilitate industry arrangements to date. To this extent, the Proposal is not expected to place an additional burden on the relevant parties.

Modification 0794S will therefore follow Self-Governance procedures.

Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- proceed to Consultation.

Why Change?

National Grid utilises gas quality data currently provided by DNOs in order to calculate quantities of:

- energy used by;
- gas vented from;
- Nitrogen Oxides (NOx) emitted by; and
- carbon dioxide (CO₂) emitted by

its compressor fleet and reported pursuant to the Environmental Permitting and Pollution Prevention and Control Regulations, the UK Emissions Trading Scheme (UKETS) and regulatory reporting to the Authority. As gas quality is not measured at all National Grid compressors, the data is provided by DNOs is from a DNO Offtake which is geographically close to the relevant compressor, this being a reliable indicator of gas composition at the relevant compressor site.

The relevant gas quality information was previously provided to National Grid by DNOs as part of the dataset used by National Grid to determine charging area CVs on behalf of DNOs under Section F of the OAD. Following the discontinuation of this service under the OAD, this data has continued to be provided by DNOs to enable National Grid to provide an interim service under a separate contractual arrangement. Following the end of this interim service (expected to be between January and April 2022) DNOs will prospectively determine the charging area CVs via a new service provider (the 'enduring service').

In absence of any change to the UNC, following the conclusion of National Grid's current provision of an interim service for determination of charging area CVs (the 'interim service') there will be no contractual obligations on the DNOs to provide the necessary gas composition information to National Grid to enable determination of the relevant quantities in respect of its compressor fleet. Therefore, the proposed obligation is required to be in place in time for commencement of the enduring service.

For the avoidance of doubt, this Proposal concerns inter-Transporter communications and does not propose any change to, nor have any impact upon, communications between Transporters and Shipper Users.

Code Specific Matters

Reference Documents

The Environmental Permitting (England and Wales) Regulations 2016

<https://www.legislation.gov.uk/ukxi/2016/1154/contents/made>

The Pollution Prevention and Control (Scotland) Regulations 2012

<https://www.legislation.gov.uk/ssi/2012/360/contents/made>

UK Emissions Trading Scheme - The Greenhouse Gas Emissions Trading Scheme Order 2020

<https://www.legislation.gov.uk/ukdsi/2020/9780348209761/contents>

Knowledge/Skills

None

Solution

It is proposed that new provisions are included in the OAD requiring the relevant DNO to provide to National Grid the information detailed in the **Information Requirements** section at each of the Gas Composition Data Sites specified in the **Locations Table** (for the avoidance of doubt, including the indicated Backup locations) except where '(National Grid)' is stated.

It is proposed that this information is provided for each day by 08:00 hours on the following day ('D+1') and that National Grid NTS will only be permitted to utilise the data for the purposes as set out in this Modification Proposal i.e. determination of the volume of emissions from its compressor fleet as required by the relevant legislation.

Information Requirements

The following information is required (in each case, the hourly values (i.e. 24 values), or the average of such (i.e. 1 value), for the relevant Gas Day):

- Methane mol(%)
- Ethane mol(%)
- Propane mol(%)
- i-butane mol(%)
- n-butane mol(%)
- i-pentane mol(%)
- n-pentane mol(%)
- neo-pentane mol(%)
- C6+ mol(%)
- Carbon dioxide mol(%)
- Nitrogen mol(%)

Locations Table

National Grid Compressor Site	Gas Composition Data Site – Primary	Gas Composition Data Site - Backup	Relevant DN
Aberdeen	Aberdeen	Balgray	Scotland Gas Networks
Alrewas	Alrewas C	Austry	Cadent
Avonbridge	Armadale	Drum	Scotland Gas Networks
Aylesbury	Ipsden	Hardwick	Southern Gas Networks
Bishop Auckland	Bishop Auckland	Elton	Northern Gas Networks
Cambridge	Great Wilbraham	Royston	Cadent

Carnforth and Nether Kellet	Lupton	Wetheral	Cadent (Primary) Northern Gas Networks (Backup)
Chelmsford	Yelverton	Roudham Heath	Cadent
Churchover	Rugby	Market Harborough	Cadent
Diss	Yelverton	Roudham Heath	Cadent
Felindre	Ross	Fiddington	Cadent (Primary) Wales & West Utilities (Backup)
Hatton	(National Grid)	Gosberton	Cadent (Backup)
Huntingdon	Peterborough Eye	Hardwick	Cadent (Primary) Southern Gas Networks (Backup)
Kings Lynn	West Winch	(National Grid)	Cadent (Primary)
Kirriemuir	Balgray	Aberdeen	Scotland Gas Networks
Lockerley	Ipsden	Winkfield	Southern Gas Networks
Peterborough	Peterborough Eye	Caldecott	Cadent
St Fergus	(National Grid)	Aberdeen	Scotland Gas Networks (Backup)
Wisbech	Gosberton	West Winch	Cadent
Wooler	Saltwick	Armadale	Northern Gas Networks (Primary) Scotland Gas Networks (Backup)
Wormington	Fiddington	Evesham	Wales & West Utilities

Additional Requirements

It is proposed that the relevant DNO is required to notify National Grid as soon as practicable where the following occurs:

- changes are made to the site/system configuration (for example Site number, Analyser serial number or type);
- planned equipment outages; or

- “loss of records” occurrences.

Costs

It is proposed that a DNO is able to recover from National Grid the reasonable and demonstrable costs of:

- the re-establishment of the information provision service (if applicable); and
- the ongoing provision of the service to communicate the information to National Grid.

Such costs to be recovered in accordance with provisions of OAD Section L.

Impacts & Other Considerations

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

No, this Modification would not impact any current SCR.

Workgroup Participants made no comment.

Consumer Impacts

None. This proposal relates to gas composition information exchanged between Gas Transporters at DNO Offtakes which are proximate to points of National Grid gas compression facilities and on this basis is not expected to impact consumers.

Workgroup Participants made no comment.

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

As identified above, there is not expected to be any impact on consumers.

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

Workgroup Participants made no comment.

Cross-Code Impacts

None. This Modification is based on current arrangements between National Grid and DNOs and would have no impact on relationships between these parties and other Codes.

Workgroup Participants made no comment.

EU Code Impacts

None.

Workgroup Participants made no comment.

Central Systems Impacts

No impacts on Central Systems have been identified.

A Workgroup Participant identified that there may be implications for Central Systems dependent upon how DNOs intend to meet this obligation. However, this does not impact the implementation date for this proposal as the mechanism for delivery of the data is a matter for DNOs.

Performance Assurance Considerations

All Workgroup Participants agreed that this Modification would have no impact on Performance Assurance.

Panel Questions

1. *Workgroup to consider whether Self-Governance procedures are appropriate.*

All Workgroup Participants agreed that Self-Governance procedures are appropriate for this proposal.

2. *Workgroup to consider whether the impacts from File Flow format changes consist of a material change.*

A Workgroup Participant identified that the file flows which are the subject of this Modification are between Transporters only and there would be no impact upon file flows between Transporters and Shippers. The changes are thus non-material. All Workgroup Participants agreed with this statement.

Workgroup Impact Assessment

As noted above a Workgroup Participant identified that there may be implications for Central Systems dependent upon how DNOs intend to meet this obligation. However, this does not impact the implementation date for this proposal as the mechanism for delivery of the data is a matter for DNOs.

Rough Order of Magnitude (ROM) Assessment

As the implementation of this Modification is not dependent upon a change to the CDSP no ROM is required.

In the event that a change to the CDSP service is required by DNOs this would be managed by the DSC change process.

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.	Positive
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.	Positive

<p>d) Securing of effective competition:</p> <ul style="list-style-type: none"> (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
<p>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.</p>	None
<p>f) Promotion of efficiency in the implementation and administration of the Code.</p>	None
<p>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.</p>	None

The inclusion in the UNC OAD of transparent and clear obligations which enable accurate and timely calculation of emissions data from National Grid compressors supports the efficient operation of the pipeline system.

Implementation would also enable the continuation of the efficient discharge of National Grid’s obligations set out in Special Condition 5.6 Parts D and E relating to the calculation and reporting of greenhouse gas emissions volumes being a component of the System Operator external incentives.

Workgroup Participants made no comment.

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.

Legal Text

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

Text Commentary

Legal Text Commentary has been published alongside this report at: <https://www.gasgovernance.co.uk/0794>

Text

Legal Text has been published alongside this report at: <https://www.gasgovernance.co.uk/0794>

Consultation

Panel invited representations from interested parties on 21 February 2022. All representations are encompassed within the Appended Representations section.

The following table provides a high-level summary of the representations.

Implementation was unanimously supported in both representations received.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Relevant Charging Methodology Objectives
Cadent	Support	a) Positive c) Positive	Not Applicable
National Grid NTS	Support	a) Positive c) Positive	Not Applicable

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

Panel Discussions

Recommendations

Panel's Recommendation to Interested Parties

Panel Members recommended:

- that Modification 0794S **should [not]** be implemented.

Appended Representations

- Cadent
- National Grid NTS

Representation - Draft Modification Report UNC 0794S

Obligation for DNOs to Continue Provision of Gas Composition Information to National Grid NTS

Responses invited by: **5pm on 11 March 2022**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Shiv Singh
Organisation:	Cadent
Date of Representation:	4 th March 2022
Support or oppose implementation?	Support
Relevant Objective:	a) Positive c) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

The provision of the required data will allow National Grid (NG) to continue to meet its obligation in relation to emissions from its compressor fleet. Currently, the most efficient method to collect this data is to source it from the Gas Distribution Networks (GDNs).

Self-Governance Statement: Please provide your views on the self-governance statement.

We agree that this modification proposal should be considered Self-Governance as there will be no material impact from its implementation.

Implementation: What lead-time do you wish to see prior to implementation and why?

We are happy with the proposed implementation timescales.

Impacts and Costs: What analysis, development and ongoing costs would you face?

There may be some cost to Cadent, but this can be recovered through the provisions contained within the Offtake Arrangements Document (OAD) Section L.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

We are satisfied that the legal text meets the intent of the modification proposal.

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.*

No.

Please provide below any additional analysis or information to support your representation

N/A

Representation - Draft Modification Report UNC 0794S

Obligation for DNOs to Continue Provision of Gas Composition Information to National Grid NTS

Responses invited by: **5pm on 11 March 2022**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Phil Lucas
Organisation:	National Grid NTS
Date of Representation:	7 th March 2022
Support or oppose implementation?	Support
Relevant Objective:	a) Positive c) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

As the proposer, National Grid NTS ('National Grid') supports the implementation of this Modification Proposal.

Modification of the UNC to formalise the continued daily provision of gas composition information by Distribution Network Operators to National Grid will enable National Grid to continue to meet its statutory obligations regarding the reporting of energy consumed by, and emissions from, its compressor fleet.

As identified in the Proposal, we believe that enabling the continued timely calculation of such information would support the efficient operation of the pipeline system (relevant objective a) and enabling the continued reporting of greenhouse gas emissions (as required under Special Condition 5.6, Parts D and E of our licence) implementation would also better facilitate relevant objective c).

Self-Governance Statement:

National Grid continues to believe that application of Self Governance procedures is appropriate in this case as the change proposed (if implemented) is unlikely to have a material effect on the aspects described in the Self-Governance criteria. The Proposal

merely seeks to formalise in UNC an existing data transaction between National Grid and Distribution Network Operators.

Implementation:

As the proposed new obligation reflects an existing information flow which is required on an enduring basis, no specific lead time is required for implementation. On this basis, as Self-Governance procedures apply, implementation could be sixteen business days in the event of a Modification Panel decision to implement, subject to no Appeal being raised.

Impacts and Costs:

National Grid would not incur any costs as a consequence of implementation.

Legal Text:

National Grid is satisfied that the legal text it has provided will deliver the intent of the solution.

National Grid's opinion remains that the UNC, and more specifically the Offtake Arrangement Document (OAD), is an appropriate vehicle to host this obligation given this Document's stated overall purpose expressed in OAD Section A1.1.1 (i.e. setting out "*rights and obligations as between the Transporters in relation to the connections between, and the planning, maintenance and operation of, their respective Systems*").

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

National Grid has not identified any such errors or omissions.

Please provide below any additional analysis or information to support your representation

Not applicable.