

## Stage 04: Final Modification Report

# 0490S:

## Updates to UNC TPD Section B to correct anomalies arising from the implementation of UNC Modification 0376S “Increased Choice when Applying for NTS Exit Capacity”

This Modification will amend UNC TPD Section B in accordance with the legal text of Modification 0376S and reinstate those parts of Section B that were incorrectly overwritten by the implementation of 0376S.

At what stage is this document in the process?



Panel determined to implement the modification



High Impact:  
N/A



Medium Impact:  
N/A



Low Impact:  
N/A

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## About this document:

This Final Modification Report was presented to the Panel on 17 April 2014.  
Panel determined to implement this self-governance modification.



**Any questions?**

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# 1 Summary

## Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification.

## Why Change?

This Modification will amend UNC TPD Section B in accordance with the legal text of Modification 0376S and reinstate those parts of Section B that were incorrectly overwritten through the implementation of 0376S, it will ensure that the text implemented via 0376S aligns with earlier changes to TPD Section B particularly the insertion of legal text for Modifications 0381 'Removal of the NTS Exit (Flat) Capacity "deemed application" process' and 0413S 'DN Adjustment of notices for the reduction of Enduring Annual NTS Exit (Flat) Capacity'.

## Solution

Update UNC TPD Section B, paragraphs 3.2.3, 3.2.4, 3.2.8 and 3.2.10.

## Relevant Objectives

This Modification will have a positive impact on Relevant Objective (f); promotion of efficiency in the administration and implementation of the Code.

## Implementation

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Panel decision to implement (subject to no Appeal being raised). There are no implementation costs applicable to the modification.

# 2 Why Change?

This Modification will amend UNC TPD Section B in accordance with the legal text of Modification 0376S and reinstate those parts of Section B that were incorrectly overwritten by the implementation of 0376S, it will ensure that the text implemented via 0376S aligns with earlier changes to TPD Section B particularly the insertion of legal text for Modifications 0381 'Removal of the NTS Exit (Flat) Capacity "deemed application" process' and 0413S 'DN Adjustment of notices for the reduction of Enduring Annual NTS Exit (Flat) Capacity'.

This will require updates be made to UNC TPD Section B, paragraphs 3.2.3(a) (i) & (ii), 3.2.4 (iv), 3.2.8, 3.2.8(a), 3.2.8(a)(i) and 3.2.10(c).

### 3 Solution

We propose to make the following updates, identified by strikethrough where deletions apply and underlined where insertions apply, to UNC TPD Section B3.2;

3.2.3 An application for Enduring Annual NTS Exit (Flat) Capacity:

- (a) during an Annual Application Window may be for an amount of Enduring Annual NTS Exit (Flat) Capacity equal to:
  - (i) ~~where paragraph 3.2.25 applies in relation to a User and an NTS Exit Point, the sum of the deemed application amount and any additional Enduring Annual NTS Exit (Flat) Capacity (if any) which the User wishes to apply for at the NTS Exit Point; or~~
  - (ii) ~~where paragraph 3.2.25 does not apply in relation to a User and an NTS Exit Point, the Enduring Annual NTS Exit (Flat) Capacity (if any) which the User wishes to apply for at the NTS Exit Point;~~

3.2.4 A User:

- (a) .....
  - (i) .....
  - (ii) .....
  - (iii) .....
  - (iv) may withdraw or modify an application ~~under paragraph 3.2.3(a)(ii) at any time during the Annual Application Window, but may only modify (and not withdraw) an application under paragraph 3.2.3(a)(i) during such period by reducing the amount of Enduring Annual NTS Exit (Flat) Capacity applied for to not less than the deemed application amount;~~

3.2.8 In respect of an application made under paragraph 3.2.3(a) and (as the case may be) a notice of reduction given by a DNO User under paragraph 3.2.15 to which paragraph (a) applies:

- (a) where National Grid NTS has rejected or accepted in part only an application made by a DNO User pursuant to paragraph 3.7.5 for NTS Exit (Flexibility) Capacity or Section J2.5 in relation to an increase in the Assured Offtake Pressure in respect of Gas Year Y+4, Y+5 or Y+6, a DNO User may submit a revised application for Enduring Annual NTS Exit (Flat) Capacity on any of the five ten (5\_10) Business Days following the provision of the indicative statement in accordance with paragraph 3.7.9(b)15 September in Gas Year Y with effect from the first Day of any month within Gas Years Y+4, Y+5 and Y+6;

- (i) submit a revised application for Enduring Annual NTS Exit (Flat) Capacity ~~for~~ with effect from the first Day of any month within Gas Years Y+4, Y+5 and Y+6; and/or

3.2.10

...

(a) ...

(b) ...

- (c) the date(s) with effect from which National Grid NTS is able to make Enduring Annual NTS Exit (Flat) Capacity available at the NTS Exit Point, such date(s) being not earlier than the date(s) with effect from which the User applied to be registered as holding Enduring Annual NTS Exit (Flat) Capacity and not later than 1 October in the Gas Year Y+~~6~~4; and

User Pays
Classification of the modification as User Pays, or not, and the justification for such classification.
No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.
N/A
Proposed charge(s) for application of User Pays charges to Shippers.
N/A
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.
N/A

## 4 Relevant Objectives

Impact of the modification on the <b>Relevant Objectives</b> :	
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 will have a positive impact on Relevant Objective (f); promotion of efficiency in the administration and implementation of the Code as it will correct errors arising from the process of incorporating the legal text from Modification 0376S into the UNC rather than errors in the text itself.

## 5 Implementation

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Panel decision to implement (subject to no Appeal being raised). There are no implementation costs applicable to the modification.

## 6 Legal Text

### Text

The legal text prepared and provided by NG NTS as included in the modification was accepted as formal text by the 20 March 2014 Panel.

UNC TPD Section B3.2;

3.2.3 An application for Enduring Annual NTS Exit (Flat) Capacity:

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- (a) during an Annual Application Window may be for an amount of Enduring Annual NTS Exit (Flat) Capacity equal to:
  - (i) ~~where paragraph 3.2.25 applies in relation to a User and an NTS Exit Point, the sum of the deemed application amount and any additional Enduring Annual NTS Exit (Flat) Capacity (if any) which the User wishes to apply for at the NTS Exit Point; or~~
  - (ii) ~~where paragraph 3.2.25 does not apply in relation to a User and an NTS Exit Point, the Enduring Annual NTS Exit (Flat) Capacity (if any) which the User wishes to apply for at the NTS Exit Point;~~

3.2.4 A User:

- (a) .....
  - (i) .....
  - (ii) .....
  - (iii) .....
  - (iv) may withdraw or modify an application ~~under paragraph 3.2.3(a)(ii) at any time during the Annual Application Window, but may only modify (and not withdraw) an application under paragraph 3.2.3(a)(i) during such period by reducing the amount of Enduring Annual NTS Exit (Flat) Capacity applied for to not less than the deemed application amount;~~

3.2.8 In respect of an application made under paragraph 3.2.3(a) and (as the case may be) a notice of reduction given by a DNO User under paragraph 3.2.15 to which paragraph (a) applies:

- (a) where National Grid NTS has rejected or accepted in part only an application made by a DNO User pursuant to paragraph 3.7.5 for NTS Exit (Flexibility) Capacity or Section J2.5 in relation to an increase in the Assured Offtake Pressure in respect of Gas Year Y+4, Y+5 or Y+6, a DNO User may ~~submit a revised application for Enduring Annual NTS Exit (Flat) Capacity on any of the five ten (5 10) Business Days following the provision of the indicative statement in accordance with paragraph 3.7.9(b) 15 September in Gas Year Y with effect from the first Day of any month within Gas Years Y+4, Y+5 and Y+6;~~
  - (i) submit a revised application for Enduring Annual NTS Exit (Flat) Capacity ~~for~~ with effect from the first Day of any month within Gas Years Y+4, Y+5 and Y+6; and/or

3.2.10

- ...
- (a) ...
- (b) ...
- (c) the date(s) with effect from which National Grid NTS is able to make Enduring Annual NTS Exit (Flat) Capacity available at the NTS Exit Point, such date(s) being not earlier than the date(s) with effect from which the User applied to be registered as holding Enduring Annual NTS Exit (Flat) Capacity and not later than 1 October in the Gas Year Y+~~6~~4; and

## 7 Consultation Responses

Representations are published alongside this Final Modification Report.  
Of the three representations received implementation was unanimously supported.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
British Gas	Support	f - positive	<ul style="list-style-type: none"><li>will ensure the full intent of the previously implemented UNC Modification 0381 is properly captured.</li></ul>
Gazprom	Support	f - positive	<ul style="list-style-type: none"><li>will ensure accuracy in the legal text of the UNC, ensuring arrangements for NTS exit capacity are fit for purpose.</li></ul>
National Grid NTS	Support	f - positive	<ul style="list-style-type: none"><li>will amend UNC TPD Section B in accordance with the legal text of Modification 0376S and reinstate those parts of Section B that were incorrectly overwritten by the implementation of 0376S,</li></ul>

## 8 Panel Discussions

The Panel Chair summarised that Modification 0490S seeks to reinstate the parts of Section B that were incorrectly overwritten by the implementation of Modification 0376S. This was an unintended result of the simultaneous development of multiple modifications impacting Section B, including Modifications 0381 'Removal of the NTS Exit (Flat) Capacity "deemed application" process' and 0413S 'DN Adjustment of notices for the reduction of Enduring Annual NTS Exit (Flat) Capacity'.

Members considered the representations made noting that, of the three representations received, implementation was unanimously supported.

Members considered the modification would have a positive impact on Relevant Objective (f) as it will correct errors arising from the process of incorporating the legal text from Modification 0376S into the UNC.

Members voted unanimously to implement Modification 0490S.

## 9 Recommendation

### Panel Recommendation

Having considered the Modification Report, the Panel determined:

- that proposed self-governance Modification 0490S should be made.

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