

Stage 01: Modification

At what stage is this document in the process?

0538:

Correcting legal text errors – gas Security of Supply Significant Code Review

- 01 Modification
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

This modification seeks to correct a reference in the legal text inserted into UNC following direction from the Gas and Electricity Markets Authority to implement Gas Security of Supply Significant Code Review and subsequent changes to UNC.



The Proposer recommends that this modification should be:

- subject to fast track self-governance









High Impact:
None



Medium Impact:
None



Low Impact:
National Grid NTS, Shippers, Suppliers

Contents		 Any questions?		
1 Summary	3	Contact: Code Administrator		
2 Why Change?	4	 enquiries@gasgovernance.co.uk		
3 Solution	4			
4 Relevant Objectives	5	 0121 288 2107		
5 Implementation	5	Proposer: Gareth Davies		
6 Impacts	6	 Gareth.Davies5@nationalgrid.com		
7 Legal Text	6			
8 Recommendation	6	 01926 654850		
About this document:				
<p>This modification will be presented by the proposer to the Panel on 18 June 2015. The Panel will consider the proposer's recommendation and agree whether this modification should be:</p> <ul style="list-style-type: none"> • subject to self-governance • subject to fast track procedures and implemented 		Transporter: National Grid NTS		
<p>The Proposer recommends the following timetable:</p> <table border="1"> <tr> <td>UNC Modification Panel decision</td> <td>18 June 2015</td> </tr> </table>		UNC Modification Panel decision	18 June 2015	Systems Provider: Xoserve
UNC Modification Panel decision	18 June 2015			
		 commercial.enquiries@xoserve.com		

1 Summary

Is this a Self-Governance Modification?

Yes - This Modification should be classed as self-governance as its implementation would not unduly discriminate between different classes of UNC parties or have a material effect on existing or future gas customers, competition, operation of the pipeline system(s), matters relating to sustainable development, safety or security of supply, or the management of the market or network emergencies.

Is this a Fast Track Self-Governance Modification?

Yes - This Modification should be classed as fast track self-governance as it is introducing housekeeping changes to correct legal text errors.

Why Change?

On 23rd September 2014 the Gas and Electricity Markets Authority ('the Authority') published a direction to implement changes to UNC TPD Section Q concluding the Significant Code Review (SCR) into gas security of supply. The changes to UNC TPD Section Q reform the cash-out arrangements in an emergency and come into force on the 1st October 2015.

Minor errors have been identified within the legal text, namely an incorrect reference to "Emergency Trade Curtailment Price" which is not defined in UNC. Alternatively the text should state "Emergency Curtailment Trade Price" as this is the correct definition.

Solution

This Modification proposes the following changes:

- UNC TPD Section Q 6.4.2(c)(i) – replace Emergency Trade Curtailment Price with Emergency Curtailment Trade Price
- UNC TPD Section Q 6.4.2(c)(ii) - replace Emergency Trade Curtailment Price with Emergency Curtailment Trade Price

No costs are associated with this change.

Relevant Objectives

This Modification would further Relevant Objective (f). Promotion of efficiency in the implementation and administration of the Code by correcting unintended errors.

Implementation

As fast track self-governance procedures are proposed, implementation could be sixteen business days after a unanimous vote in favour of implementation by the Modification Panel, subject to no objection being raised.

This Modification would seek to come into force on the 1st October 2015 to align with the Authority direction to implement the SCR on security of gas supply.

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

The Modification is correcting legal text errors in the Authority direction to implement the gas security of supply SCR.

There are no impacts on other industry change.

2 Why Change?

Background

On 23rd September 2014 the Gas and Electricity Markets Authority ('the Authority') published a direction to implement changes to UNC TPD Section Q concluding the Significant Code Review (SCR) into gas security of supply. The changes to UNC TPD Section Q reform the cash-out arrangements in an emergency and come into force on the 1st October 2015.

Errors identified within the gas security of supply SCR direction

Minor errors have been identified within the legal text of this direction.

In UNC TPD Section Q 6.4.2(c) there are two incorrect references to "*Emergency Trade Curtailment Price*" that should alternatively be "*Emergency Curtailment Trade Price*" as defined in UNC TPD Section Q 6.1.1(c). To confirm there is no definition of *Emergency Trade Curtailment Price*.

3 Solution

Correcting legal text errors

This modification proposes to correct incorrect references by making the following changes:

- UNC TPD Section Q 6.4.2(c)(i) – replace Emergency Trade Curtailment Price with Emergency Curtailment Trade Price
- UNC TPD Section Q 6.4.2(c)(ii) - replace Emergency Trade Curtailment Price with Emergency Curtailment Trade Price

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.	Not applicable
Proposed charge(s) for application of User Pays charges to Shippers.	Not applicable
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	Not applicable

4 Relevant Objectives

Impact of the modification on the 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

This is a 'housekeeping' modification to correct legal text errors and therefore has a positive impact on relevant objective f) Promotion of efficiency in the implementation and administration of the Code.

5 Implementation

As fast track self-governance procedures are proposed, implementation could be sixteen business days after a unanimous vote in favour of implementation by the Modification Panel, subject to no objection being raised.

This Modification would seek to come into force on the 1st October 2015 to align with the Authority direction to implement the SCR on security of gas supply.

6 Impacts

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

The Modification is correcting legal text errors in the Authority direction to implement the gas security of supply SCR. This change has a positive impact by clarifying the legal text.

There are no impacts on other industry change.

7 Legal Text

Legal Text

This modification proposes to make the following legal text changes to the Authority direction to implement the gas security of supply SCR:

UNC TPD Section Q

6.4.2 (c) the “DSR Value” is the amount determined as the DSR Value Proportion of:

(i) in respect of NDR System Exit Points;

In Stage 2 of a GDE, ~~Emergency Trade Curtailment Price~~ Emergency Curtailment Trade Price on the Day on which the Gas Deficit Emergency became a Stage 2+ GDE;

In Stage 3 of a GDE, the Assumed VoLL; and

(ii) in respect of DR System Exit Points, the ~~Emergency Trade Curtailment Price~~ Emergency Curtailment Trade Price for the Day on which the Gas Deficit Emergency became a Stage 2+ GDE;

Text Commentary

A simple change has been made to UNC TPD Section Q 6.4.2(c) to correct the two incorrect references to “*Emergency Trade Curtailment Price*” to “*Emergency Curtailment Trade Price*” in order to reference the defined term (as set out in UNC TPD Section Q 6.1.1(c)).

8 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should be subject to self-governance; and
- Determine that this modification should follow fast track procedures and be implemented