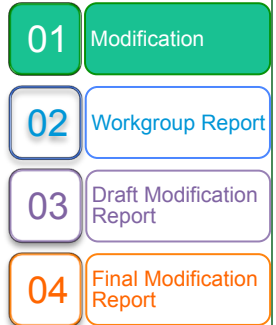


0547:

Corrections to the EID arising from implementation of Modifications 0493/0500.



This Modification Proposal seeks to make amendments to the legal text for the European Interconnection Document (EID) introduced following the implementation of Modifications 0493 and 0500. It is required to correct typographical errors, provide additional clarification and enhancements and to correct/add/delete references.



The Proposer recommends that this modification should be:

- subject to self-governance
- assessed by a Workgroup











High Impact:
None



Medium Impact:
None



Low Impact:
Shippers and National Grid NTS

Contents		 Any questions?
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7 Legal Text	6	Transporter: National Grid
8 Recommendation	6	 Malcolm.montgomery@nationalgrid.com
About this document:		 01926 653991
This modification will be presented by the proposer to the panel on 16 July 2015.		Systems Provider: Xoserve
The panel will consider the proposer's recommendation and agree whether this modification should be:		 commercial.enquiries@xoserve.com
<ul style="list-style-type: none"> • subject to self-governance • referred to a workgroup for assessment. 		
The Proposer recommends the following timetable:		
Initial consideration by Workgroup and completion of workgroup report	06 August 2015	
Workgroup Report presented to Panel	07 August 2015	
Draft Modification Report issued for consultation	21 August 2015	
Consultation Close-out for representations	11 September 2015	
Final Modification Report presented to Panel	15 September 2015	
UNC Modification Panel decision (requested to be considered at short notice)	17 September 2015	

1 Summary

Is this a Self-Governance Modification?

This modification is proposed as self-governance as the changes seek to clarify existing rules and tidy up text, rather than creating any new commercial rules and therefore does not have a material impact on consumers, competition in the shipping, transportation or supply of gas conveyed through pipes or the uniform network code governance procedures or the network code modification procedures.

Is this a Fast Track Self-Governance Modification?

As this modification clarifies rules as well as tidying up text, it is not proposed to be subject to fast track self-governance as it is not properly a house keeping modification.

Why Change?

The European Interconnection Document (EID) was introduced as part of the UNC following the implementation of Modifications 0493 “EU Gas Balancing Code - Daily Nominations at Interconnection Points (IP)” and 0500 “EU Capacity Regulations - Capacity Allocation Mechanisms with Congestion Management Procedures”. In its decision letter for Modifications Proposals 0493 & 0500, Ofgem noted that elements of the legal text, contained within the European Interconnection Document (EID), would benefit from further clarification and enhancement. This modification has been brought forward to allow these minor changes to take place and it should be noted that these changes do not change the intent of either of the original modifications. The majority of the changes are typographical errors.

Solution

This modification will identify and update any areas of EID legal text and the transition document, where further clarity or tidy up is required.

Relevant Objectives

Implementation of this modification would better facilitate the following relevant objectives:

- f) Promotion of efficiency in the implementation and administration of the Code.
- 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.

Implementation

No industry implementation costs have been identified.

As self-governance procedures are proposed and in line with these procedures, implementation could be 16 days after a Modification Panel decision to implement.

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

These changes are consistent with the planned system changes to deliver EU codes requirements.

2 Why Change?

UNC Modifications 0493 and 0500 introduced rules for Interconnection Points that are compliant with EU network codes on Balancing, Capacity Allocation Mechanisms and Congestion Management Procedures. In the decision letter approving these modifications, Ofgem identified several areas in the legal text for the new EID that would benefit from further clarification and minor corrections, and has invited National Grid Gas to address these along with a number of typographical errors. National Grid Gas agrees that the text would benefit from further clarification provided in revised legal text.

3 Solution

All amendments will be shown in revised legal text to be published alongside this proposal.

The following are points of clarification that we believe benefit from further explanation:

EID Section B

- Clock Change days (23 / 25 hours) will be relevant to Transfers in kWh/h, as well as to Uniform Price Auctions in kWh/h (1.3.3).
- Add additional text into the section on within day auctions to capture the 'bid effective time' for within day capacity products for kWh/d auctions (previously this was just captured for kWh/h auctions), and detail what a 'bid effective time' means for within day auctions (5.3.2) &(5.3.3).
- Correct the system transfer rules for kWh/h transfers so that:
 - o Users should specify the specific start and end times (hours) for kWh/h transfers (9.2.1).
 - o The transfer period, entered via PRISMA, may have an end time other than the end of the day; the first and last gas day of a transfer period may have a runtime that is less than a full gas day (9.1.3)
- Add additional text to confirm that shippers will be informed of their Surrender re-allocation (if any) after the auction. (7.3.4d)

EID Sections A, B, C and the Transition Document.

- Further correction of typographical error, cross references, removal of duplication, timing clarifications and minor enhancements.

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.	<i>n/a</i>
Proposed charge(s) for application of User Pays charges to Shippers.	<i>n/a</i>
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	<i>n/a – no ACS changes proposed</i>

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.	Positive

This modification proposes to bring further clarity to the EID legal text, which demonstrates how GB is compliant with the CAM and Balancing EU Codes. This is consistent with the promotion of the Relevant Objective 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.

It is appropriate to address minor errors where they are identified to avoid any misinterpretation / misunderstanding. Such action is consistent with Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code.

5 Implementation

No industry implementation costs are identified.

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Ofgem appeal being raised.

6 Impacts

EU Codes Implementation

These changes are consistent with the planned changes to deliver EU codes requirements.

7 Legal Text

Text Commentary

See separate document.

Text

Suggested legal text will be published alongside this proposal.

8 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should be subject to self-governance; and
- Progress to Workgroup for assessment.