











Stage 04: Final Modification Report		At what stage is this document in the process?
<h1>0586FT:</h1> <h2>Resolution of minor legal text drafting conflicts arising from UNC Modification 0432</h2>		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> 01 Modification </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> 02 Workgroup Report </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> 03 Draft Modification Report </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> 04 Final Modification Report </div> </div>
<p>This modification seeks to resolve a number of non-material legal text and numbering conflicts which have been identified as a consequence of implementation of UNC Modification 0432.</p>		
	The Panel determined that this fast track self-governance modification be implemented.	
	High Impact:	
	Medium Impact:	
	Low Impact: Shippers and Transporters	

Contents		 Any questions?
1 Summary	2	Contact: Code Administrator
2 Why Change?	4	 enquiries@gasgovernance.co.uk
3 Solution	5	 0121 288 2107
4 Relevant Objectives	6	Proposer: Shiv Singh
5 Implementation	6	 shiv.singh1@nationalgrid.com
6 Impacts	6	 07580 999287
7 Legal Text	7	Transporter: National Grid Distribution
8 Panel Discussions	7	Systems Provider: Xoserve
9 Recommendation	7	 commercial.enquiries@xoserve.com
About this document:		
This Final Modification Report was considered by the Panel on 16 June 2016. The Panel unanimously determined that this modification should be implemented.		
The Proposer recommended the following timetable:		
Modification presented to Panel	16 June 2016	
UNC Modification Panel decision	16 June 2016	

1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification because it is unlikely to have material effect on gas consumers; competition, the operation of pipe-line systems, safety or security of supply, the uniform network code governance procedures or the network code modification procedures.

Is this a Fast Track Self-Governance Modification?

The Modification Panel determined that this modification should be classed as fast track self-governance because the identified changes are considered to be of a minor housekeeping nature, having no material effect on consumers or competition between Shippers and Suppliers, as they do not change any of the rights or obligations of Code parties.

Why Change?

The updating of UNC with Modification 0432 legal text, as written, would result in sections of Code being unclear because of a number of minor numbering, formatting and consistency related conflicts. In general these have arisen due to the consequential effects of delay in implementation of Project Nexus.

Solution

This modification seeks to resolve identified conflicts within Project Nexus related Legal Text (pertaining to Modification 0432) which are highlighted in the Project Nexus Legal Text Tracker. A separate document (Output from PN LT Tracker) has been published alongside this document that provides instructions on correcting any conflicts which exist in the Legal Text for Modification 0432. Whilst not part of the Solution, once this Modification is implemented, Transporters will identify 1st July 2016 as 'lock-down' reference date. All modifications which require Legal Text between this date and the Project Nexus Implementation Date (PNID) will be assessed by Transporters to identify whether two sets of Legal Text, transitional and enduring are required.

Documents published alongside this Modification:

- PN LT Tracker – Part 3a – 0432 – 160316
- Output from PN LT Tracker

Relevant Objectives

This modification furthers Relevant Objective (f) Promotion of efficiency in the implementation and administration of the Code because it ensures correct numbering, formatting and consistency in the legal text pertaining to the Transportation Principal Document.

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.

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

Neither the Switching SCR nor implementation of Project Nexus is impacted.

2 Why Change?

This modification seeks to address legal text numbering, formatting and consistency conflicts that would arise at the point UNC modification 0432 (Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform), is implemented and becomes effective on the Project Nexus Implementation Date (PNID). Without correction by this modification, the Legal Text would be unclear and liable to cause confusion.

Largely due to implementation of subsequent UNC modifications, it is not possible for the UNC to be updated with the Project Nexus Legal Text as written.

In February 2016, the Joint Office concluded an exercise to determine the impact in relation to the UNC (the Project Nexus Legal Text Tracking Exercise). This resulted in a number of potential Code references being highlighted as being in conflict preventing inclusion in UNC.

National Grid Gas Distribution, working closely with the Joint Office, identified and investigated all relevant conflicts and produced a schedule of required changes to legal text and numbering which can be seen in the document Output from PN LT Tracker. Clear updating instructions have been provided.

3 Solution

The separate Output from PN LT Tracker details the required numbering, text and formatting changes required.

Whilst not part of this Modification Proposal, a 'lock down' date of 1st July 2016 has been identified. This is a process step for Transporters as the providers of legal text and is described below:

Lock Down Date

In the event that modifications are proposed to be implemented in the period between the proposed lock down date of 1st July 2016 and PNID (presently 1st October 2016), then where necessary Transporters would produce 2 (two) sets of legal text (Transitional and Enduring). This will show the impact on the live Code and the impact on the 'to be' Code after PNID.

Where modifications are directed for implementation with an implementation effective date prior to PNID then the UNC would be updated with the transitional and enduring text (should this be relevant).

Where modifications are directed for implementation with an implementation date post PNID then UNC would be updated with the enduring text only.

- 1st July 2016 to 30th September 2016 – Transitional text in Code
- 1st October 2016 onwards – Enduring text in Code

Note: In respect of bullet 2 this excludes any transitional text which may be required as part of the Modification solution.

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</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.	None

Relevant Objective f)

This modification furthers Relevant Objective (f) Promotion of efficiency in the implementation and administration of the Code because it ensures UNC Legal text numbering, formatting and consistency in the legal text pertaining to the Transportation Principal Document.

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.

6 Impacts

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

Neither the Switching SCR nor implementation of Project Nexus is impacted.

7 Legal Text

Text Commentary

Due to the volume of identified conflicts, a separate document (Output from PN LT Tracker) has been prepared by National Grid Gas Distribution and is published alongside this report.

Text

Please refer to the separate document published alongside this report.

8 Panel Discussions

Discussion

The Panel Chair summarised that Modification 0586FT proposes to resolve a number of non-material legal text and numbering conflicts, which have been identified as a consequence following the implementation of UNC Modification 0432.

Consideration of Relevant Objectives

Members considered relevant objective f), agreeing that implementation would have a positive impact on the efficient implementation and administration of the Code as it ensure the promotion of efficiency in the implementation and administration of the Code because it ensures UNC legal text numbering, formatting and consistency in the legal text pertaining to the Transportation Principal Document.

Panel Determinations

Members voted unanimously to implement Modification 0586FT.

9 Recommendation

Panel Recommendation

Having considered the Modification Report, the Panel determined that:

- that proposed fast track self-governance Modification 0586FT should be made.