

UNC Final Modification Report	At what stage is this document in the process?
<h1>UNC 0733FT:</h1> <h2>UNC Section Y clarification post decision on implementation of Modification 0678A</h2>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 01 Modification </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 02 Workgroup Report </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 03 Draft Modification Report </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification: Correcting a single, minor typographical error which does not change the sentiments of the Code.</p>	
	<p>The Panel determined that this Fast Track Self-Governance Modification be implemented</p>
	<p>High Impact: None</p>
	<p>Medium Impact: None</p>
	<p>Low Impact: Shippers and Transporters</p>

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Timeline		m
Modification timetable:		
Modification consideration by Panel	20 August 2020	
Modification Panel decision	20 August 2020	

1 Summary

What

Correcting a minor typographical error in UNC TPD Section Y text associated with Modification 0678A which is due to implement on 1st October 2020.

Why

This modification will ensure that all terminology and references in the applicable UNC TPD Section Y is aligned by making this minor housekeeping change.

How

This modification will make a single typographical change to UNC TPD Section Y (Charging Methodology), which was introduced under Modification 0678A.

2 Governance

Justification for Fast Track Self-Governance

This modification should be classed as a Fast Track Self-Governance Modification because it has no effect on existing or future gas consumers, competition between parties, operation of network systems or UNC procedures nor unduly discriminate between different classes of UNC parties. It simply proposes correcting a minor typographical error and will not change the sentiments of the code and will promote clarity within the UNC.

This was discussed at July 2020 NTSCMF and details can be found in section 1.4.2 of the minutes https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/2020-07/Minutes%20NTSCMF%207%20July%202020%20v1.0.pdf?vAPmQM9M_HEakvu7sleXzGbAHsP_OP_K= where workgroup agreed with the suggestion it should go to August Panel.

Requested Next Steps

This modification should:

- be considered a non-material change;
- be subject to fast track self-governance and implemented.

3 Why Change?

This Modification seeks to carry out a single typographical change in UNC TPD Section Y following implementation of Modification 0678A.

4 Code Specific Matters

Reference Documents

Modification 0678A (Legal Text): https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/book/2019-05/Modification%200678A%20-%20Annex%20B%20Draft%20Legal%20Text%20-%20TPD%20Y%20Part%20I-A%20-%202015.05.2019%2864273200_3%29.pdf

Knowledge/Skills

UNC TPD Section Y: <https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/page/2019-01/24%20TPD%20Section%20Y%20-%20Charging%20Methodologies.pdf>

5 Solution

The following list covers the changes that are proposed:

Change Required	Comments
UNC TPD Section Y – 1.5.3.f: First definition should say KTS EN,t instead of KTS EX,t	Administrative change

6 Impacts & Other Considerations

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

No impact.

Consumer Impacts

None – only carrying out housekeeping change.

Cross Code Impacts

None.

EU Code Impacts

None.

Central Systems Impacts

None.

7 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

Standard Relevant Objective *f) Promotion of efficiency in the implementation and administration of the Code* is overall furthered as this proposal is promoting efficiency in the code and providing clarity in the necessary areas, here specifically under one of the equations in Section Y. It does not change any equations and calculations however does ensure that the code is reflecting the necessary information.

Impact of the modification on the Relevant Charging Methodology Objectives:

Relevant Objective	Identified impact
a) Save in so far as paragraphs (aa) or (d) apply, that compliance with the charging methodology results in charges which reflect the costs incurred by the licensee in its transportation business;	None
aa) That, in so far as prices in respect of transportation arrangements are established by auction, either: (i) no reserve price is applied, or (ii) that reserve price is set at a level - (l) best calculated to promote efficiency and avoid undue preference in the supply of transportation services; and	None

(II) best calculated to promote competition between gas suppliers and between gas shippers;	
b) That, so far as is consistent with sub-paragraph (a), the charging methodology properly takes account of developments in the transportation business;	None
c) That, so far as is consistent with sub-paragraphs (a) and (b), compliance with the charging methodology facilitates effective competition between gas shippers and between gas suppliers; and	None
d) That the charging methodology reflects any alternative arrangements put in place in accordance with a determination made by the Secretary of State under paragraph 2A(a) of Standard Special Condition A27 (Disposal of Assets).	None
e) 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 proposal amends some explanatory text underneath one of the equations in Section Y (effective from October 2020). This update does not amend the equation itself, only correcting a minor typographical error and ensures that all necessary explanatory text support the equations facilitating calculation of charges in line with the required methodology. As this is correcting a minor typo the broader Relevant Objective for administration of the code is furthered in a positive manner. Section Y is not substantively changed hence the position on Charging Methodology Relevant Objectives.

8 Implementation

As fast track self-governance procedures are proposed, and this changes the text which is introduced with the introduction of the revised Methodology in Modification 0678A, implementation is proposed to take effect concurrent with Modification 0678A, from 01 October 2020.

9 Legal Text

Text Commentary

Amend “Ex” to “En” in the subscript text in the first explanatory item following the formula to correctly cross reference the $K^{TS}_{En,t}$ term in the supporting text underneath the equation to calculate the “**Exit Adjustment Proportion**” in 1.5.3 (f) of Section Y (Charging Methodologies), Part A – NTS Charging Methodologies, A-1 NTS Transportation Charging Methodology.

Text

1.5.3 (f) the “**Exit Adjustment Proportion**” for Formula Year t is determined as:

$$K^{TS}_{Ex,t} / (K^{TS}_{En,t} + K^{TS}_{Ex,t})$$

where

$K^{TS}_{En,t}$ is determined by applying the formula in Special Condition 2A.19 substituting:

(A) Transmission Services Entry Revenue in respect of Formula Year t-2 for NTS Transportation Owner Revenue in respect of Formula Year t-2; and

(B) Allowed FY Transmission Services Entry Revenue in respect of Formula Year t-2 for Maximum NTS Transportation Owner Revenue in respect of Formula Year t-2;

$K^{TS_{Ex,t}}$ is determined by applying the formula in Special Condition 2A.19 substituting:

- (A) Transmission Services Exit Revenue in respect of Formula Year t-2 for NTS Transportation Owner Revenue in respect of Formula Year t-2; and
- (B) Allowed FY Transmission Services Exit Revenue in respect of Formula Year t-2 for Maximum NTS Transportation Owner Revenue in respect of Formula Year t-2.

10 Panel Discussions

Discussion

The Panel Chair summarised that proposed Fast Track Self-Governance Modification 0733FT aims to correct a single, minor typographical error contained within the original legal text for UNC Modification 0678A, specifically relating to the formula contained within paragraph 1.5.3(f), which does not change the sentiments of the Uniform Network Code (UNC).

Panel Members agreed with the proposer that this Modification should be classed as a Fast Track Self-Governance Modification because it simply proposes correcting a minor typographical error in the formula set out in the UNC as the text in the UNC is correct, therefore it is not changing the sentiments of the UNC itself.

Panel Members noted that the effective implementation date for this Modification would be aligned with that of UNC Modification 0678A which is scheduled to be implemented at 05:00 on 01 October 2020.

Consideration of the Relevant Objectives

Panel Members considered Relevant Objective *f) Promotion of efficiency in the implementation and administration of the Code*, agreeing that implementation would have a positive impact because this proposal is providing clarity in the UNC by correcting a minor typographical error in a formula in Section Y. It does not change any equations and calculations however it does ensure that the UNC is reflecting the necessary information set out in the text.

Panel Members also considered the Relevant Charging Methodology Objectives and agreed with the proposer that as this Modification is simply correcting a minor typographical error, UNC Section Y is not substantively changed, and therefore there is no direct impact on the Section Y Charging Methodology Relevant Objectives.

Determinations

Panel Members voted unanimously to determine that this Modification is suitable for Fast Track Self-Governance procedures and to implement Fast Track Self-Governance Modification 0733FT.

11 Recommendations

Panel Determination

Panel Members determined that:

- Fast Track Self-Governance procedures should apply;
- this Fast Track Self-Governance Modification be implemented.