

Dear Colleague,

**Teleconference Agenda:** Pre-Modification Panel Briefing  
**Documentation at:** [www.gasgovernance.co.uk/panel/20/08/15](http://www.gasgovernance.co.uk/panel/20/08/15)  
**Teleconference details:** 0207 950 1251, access code 21870295#

Please note that we will be hosting a pre-Modification Panel briefing by teleconference starting at 13:00 on Monday 17 August 2015. Discussions will be based on the Modification Panel agenda ([www.gasgovernance.co.uk/panel/200815](http://www.gasgovernance.co.uk/panel/200815)).

This pre-Panel briefing is intended to provide, in particular, an opportunity for smaller parties, including customer representatives as well as smaller Shippers and Suppliers, an opportunity to feed views into the modification process at critical stages. We therefore expect to focus on new Modifications and those on which the Panel will debate whether or not implementation is supported. Similar teleconferences are held on the Monday prior to each monthly Modification Panel meeting (third Thursday of the month). Any views on which information would be most helpful to you, or on the time and format of the teleconference, would be welcome.

Modifications that are on this month's Panel agenda are:

### ***New Modifications***

#### **Modification 0549 – Improving Arrangements for Managing Major Industry Changes**

Proposed by Gazprom Marketing and Trading

This modification proposes to implement a management structure for major industry deliverables. It defines the key responsibilities for each body and the expected interactions and decision-making responsibilities.

The Proposer is not seeking self-governance status for this modification.

<http://www.gasgovernance.co.uk/0549>

#### **Modification 0550 – Project Nexus – Incentivising Central Project Delivery**

Proposed by npower

This modification proposes to introduce a backstop date for Project Nexus Go-live, defined as the date in effect at the time of implementation of this proposal (which could be 01 October 2016 should Modification 0548 be implemented). It also proposes to apply liquidated damages to the gas transporters, payable to shippers who have met both the initial and revised implementation dates, should they fail to deliver the Nexus solution to the revised timeline and budget.

The Proposer is not seeking self-governance status for this modification.

<http://www.gasgovernance.co.uk/0550>

#### **Modification 0551 – Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015**

Proposed by Gazprom Marketing and Trading

This modification addresses a situation created by Modification 0428 Single Meter Supply Points, where determining the correct split of capacity across affected meter points has not been straightforward for consumers. It proposes to suppress any ratchet charges, which apply when a consumer's daily offtake quantity exceeds their booked quantity, for the coming winter period only. From that point forward it is expected that those consumers will subsequently amend bookings in light of more accurate site data.

The Proposer is not seeking self-governance status for this modification and is requesting that it should go straight to consultation.

<http://www.gasgovernance.co.uk/0551>

### **Modification 0552 – UNC Section Y Housekeeping**

Proposed by National Grid NTS

Following an ad-hoc review of Section Y, a number of minor errors and incorrect terms were identified. This modification proposes to provide additional clarification to several points, update references and resolve minor errors.

The Proposer is seeking fast-track self-governance status for this modification.

<http://www.gasgovernance.co.uk/0552>

### **Modification 0553 – Removal of National Grid LNG Storage UNC TPD Section Z obligations and associated cross-references**

Proposed by National Grid LNG Storage

Following the decision taken earlier in 2015 to close the last remaining LNG Storage facility at Avonmouth, the proposers consider it is prudent to remove the associated UNC TPD obligations. This modification therefore proposes the deletion of Section Z in its' entirety and amendment of other cross-references applying to it, including provisions for any gas left in the facility during the decommissioning process.

The Proposer is seeking self-governance status for this modification and is requesting that it should go straight to consultation.

<http://www.gasgovernance.co.uk/0553>

## ***Implementation Recommendations***

### **Modifications 0498 and 0502 – Amendment to Gas Quality NTS Entry Specification at BP Teesside System Entry Point**

These modifications propose to increase the upper carbon dioxide limit within the Network Entry Agreements at the BP and px Ltd (respectively) entry points at Teesside because the current specification may not be compatible with potential new sources of offshore gas.

Of the 11 representations received, 4 supported implementation, 1 offered qualified support, 2 provided comments and 4 were not in support; upstream parties generally supported the proposals whilst downstream parties expressed concerns.

Panel members will be asked whether consultation responses have raised any new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend implementation.

<http://www.gasgovernance.co.uk/0498>  
<http://www.gasgovernance.co.uk/0502>

### **Modification 0510V – Reform of Gas Allocation Regime at GB Interconnection Points**

This modification has been raised to put in place aspects of the EU Interoperability and Data Exchange Code (the INT Code) for the allocation of gas quantities between adjacent Transporters. It is proposed to amend the UNC, and make changes to its systems, in order to facilitate this new allocation method at Interconnection Points.

The original consultation for 0510 in April 2015 identified two issues and Panel asked the Workgroup to consider them further. Subsequently the proposer, National Grid NTS, identified improvements to the solution and raised a Variation Request (hence now 0510V), which Panel issued for further consultation in July.

The 4 original and the 2 additional representations received will be considered. Implementation was supported; respondents generally agreed with the proposer that this modification introduces appropriate allocation arrangements and that the issues identified initially had been addressed by the Variation.

Panel members will be asked whether consultation responses have raised any further new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend implementation.

<http://www.gasgovernance.co.uk/0510>

### **Modifications 0517, 0517A and 0517B – Review of the Supply Matching Merit Order in Setting Capacity Charges**

The Transmission Transportation Model calculates Entry and Exit Capacity reserve prices and includes a Merit Order which reflects the ongoing utilisation of supply. In recent years there has been a change in selective utilisation of Liquefied Natural Gas (LNG) and Mid Range Storage (MRS), triggering a review of the Merit Order. These modifications commonly propose to amend the Merit Order to combine the supply which is against LNG and MRS into one group and prorate as currently specified in the methodology. The variants define how their proposers' believe the change should be implemented; with a delay of two years or using rolling average pricing respectively.

Of the 11 representations received, implementation was largely opposed for all three variants, with 0517 and 0517A receiving only 3 supportive reps. Common concerns amongst respondents relate to the use of recent flows rather than peak day as the indicator of utilisation and the interaction with forthcoming EU Tariff Code and the Ofgem Gas Transmission Charging Review outcomes.

Panel members will be asked whether consultation responses have raised any new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend implementation.

<http://www.gasgovernance.co.uk/0517>

### ***Self Governance***

None this month.

I hope this summary is helpful.

Regards,

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UNC related documents can be accessed via our website:  
[www.gasgovernance.co.uk](http://www.gasgovernance.co.uk)