

Agenda: Pre-Modification Panel Briefing
Meeting Details: 13:00, 17 October 2016
Teleconference: 0207 950 1251, access code 21870295#
Documentation at: <http://www.gasgovernance.co.uk/panel/201016>

Dear Colleague,

Please note that we will be hosting a pre-Modification Panel briefing by teleconference starting at **13:00 on Monday 17 October 2016**. Discussions will be based on the Modification Panel agenda (<http://www.gasgovernance.co.uk/panel/201016>).

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 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

Alternate Modification 0565A – Central Data Service Provider – General framework and obligations

Proposed by EON

This modification proposes an alternate representation structure for the Data Services Contract committees, which is suggested to provide a more balanced representation than in the original 0565.

It is not expected to extend the assessment period.

<http://www.gasgovernance.co.uk/0565>

Modification 0596 – Implementing CGR3 decisions on Significant Code Reviews and self-governance

Proposed by Wales and West Utilities

This modification amends the UNC Modification Rules to implement two decisions resulting from Ofgem's Code Governance Review phase 3 (CGR3). Firstly it implements changes to the self-governance process whereby modifications will follow self-governance procedures as the default unless the UNC Modification Panel determines that the proposal has a material impact against the existing Self-Governance Criteria. Secondly it implements governance-related changes to the Significant Code Review (SCR) process.

The Proposer is not seeking self-governance status for this modification on the basis that it is likely to have a material impact on the UNC Modification Rules because it will change

how SCR-related matters are processed, including permitting the Authority to raise modification proposals.

<http://www.gasgovernance.co.uk/0596>

Modification 0597 – Rules for the release of incremental capacity at Interconnection Points

Modification 0598 – Amendments to Capacity Allocations Mechanisms to comply with EU Capacity Regulations

Modification 0599 – Amendments to Capacity Allocations Mechanisms (Interruptible) to comply with EU Capacity Regulations

Proposed by National Grid NTS

These modifications seek to implement the changes to the EU Capacity Allocation Mechanisms code that are expected to be agreed during October 2016 for implementation starting in March/April 2017. The changes range from relatively straightforward changes to capacity auction dates through to how incremental capacity can be acquired at Interconnection Points and arrangements for interruptible capacity.

The Proposer is not seeking self-governance status for these modifications on the basis that each is likely to have a material impact on a range of commercial activities of Shippers.

<http://www.gasgovernance.co.uk/0597>

<http://www.gasgovernance.co.uk/0598>

<http://www.gasgovernance.co.uk/0599>

Modification 0600 – Amend obligation for the acceptance of EPDQD revisions made after D+5

Proposed by National Grid NTS

This modification seeks to align the UNC with the existing practice of accepting late revisions to the Entry Point Daily Quantity Delivered. After a period of reviewing options to address the situation, National Grid has concluded that it is in the industry's best interests to allow such revisions in exceptional circumstances. The proposal seeks to permit the practice without removing incentives for accuracy and timeliness of data.

The Proposer is seeking self-governance status for this modification on the basis that it is unlikely to have a material impact on competition since the impacted revisions represent only a small subset of overall permissible changes.

<http://www.gasgovernance.co.uk/0600>

Implementation Recommendations

Modification 0587 – Seasonal Energy Balancing Credit Cover

This modification proposes to amend the Energy Balancing Credit Rules so that a User's credit cover, which is currently set based on the maximum requirement in the past 12 months, is only set based on months in the same season as the current one

In the 0587 consultation 7 representations were received; 5 supported implementation, 1 provided qualified support and 1 provided comments. Respondents generally agreed with the intent of the proposal and recognised that it would appeal in particular to smaller parties, but many stressed that the costs should be borne by those using the service. 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 that the modification should be implemented.

<http://www.gasgovernance.co.uk/0587>

Self-Governance Implementation

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