

Agenda: Pre-Modification Panel Briefing
Meeting Details: 13:00, 12 December 2016
Teleconference: 0207 950 1251, access code 21870295#
Documentation at: <http://www.gasgovernance.co.uk/panel/151216>

Dear Colleague,

Please note that we will be hosting a pre-Modification Panel briefing by teleconference starting at **13:00 on Monday 12 December 2016**. Discussions will be based on the Modification Panel agenda (<http://www.gasgovernance.co.uk/panel/151216>).

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

Modification 0604 – Central Data Service Provider – Arrangements following implementation of Project Nexus

Proposed by National Grid Gas Distribution

This modification identifies measures necessary to ensure the Xoserve Funding, Governance and Ownership (FGO) arrangements continue to be effective upon implementation of Project Nexus by aligning the amended services to the Central Data Service Provider (CDSP) direct and agency service structure.

The Proposer is seeking self-governance status for this modification on the basis that it is simply updating the UNC to align with the new FGO arrangements, which weren't envisioned when the Nexus legal text was produced. It has no direct incremental impact on any other party, other than ensuring that the source modifications (i.e. 0432, 0434 and 0440) are implementable.

<http://www.gasgovernance.co.uk/0604>

Modification 0605 – Amendments to TPD Section K – Operating Margins

Proposed by National Grid NTS

This modification proposes to enable more efficient and economical procurement and disposal of Operating Margins gas by using other mechanisms such as Over-the-Counter or by using an exchange (such as the OCM). This would be in addition to the existing annual tender arrangements that have been in place since the inception of Code.

The Proposer is seeking self-governance status for this modification on the basis that it is expected to have no material effect on competition between Shippers since National Grid envisages a small reduction in overall costs.

<http://www.gasgovernance.co.uk/0605>

Modification 0606 – National Grid Gas plc and National Grid Gas Distribution Ltd transitional invoicing arrangement post Project Nexus implementation

Proposed by National Grid Gas Distribution

This modification proposes transitional UNC terms to accommodate restrictions to changes to the new UK Link system being delivered under Project Nexus.

It allows for a combined NTS/NGGDL transportation invoice to be issued as per the original Nexus design and the NTS charges would be immediately credited and then re-invoiced separately on behalf of NTS. This approach maintains the intent of Modification 0592S (Separation of National Grid Transmission and Distribution owned networks – Transitional invoicing arrangements) without impacting Shipper credit positions, although it is recognised that additional invoices are involved.

The Proposer is seeking self-governance status for this modification on the basis that there are no material impacts on parties because existing invoicing functionality would be utilised.

<http://www.gasgovernance.co.uk/0606>

Modification 0607 – Amendment to Gas Quality NTS Entry Specification at the St. Fergus NSMP System Entry Point

Proposed by BP Gas

This enabling modification proposes to facilitate an increase in the carbon dioxide limit stated in the Network Entry Agreement relating to the North Sea Midstream Partners (NSMP) sub-terminal at St. Fergus between National Grid Gas plc and NSMP Ltd. It is proposed to increase the limit from 4mol% to 5.5mol%.

The Proposer is seeking self-governance status for this modification on the basis that it has no material effect on present or future gas consumers because gas flowing from other sub-terminals at St. Fergus dilutes the gas from this sub-terminal before it reaches the NTS.

<http://www.gasgovernance.co.uk/0607>

Implementation Recommendations

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

These Modifications identify the framework and principal obligations and terms under which the Central Data Service Provider (CDSP) will operate under the UNC. They also provide for the creation of a Data Services Contract (DSC) as a UNC 'code referenced

document’.

Modifications 0565A and 0565B look to change only the committee constitutions for the DSC committees and do not seek to vary any other area of the arrangements to be introduced by Modification 0565.

The consultation closes on Thursday 08 December; a summary of respondents’ views will be provided on the call. 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/0565>

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

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 consultation closes on Thursday 08 December; a summary of respondents’ views will be provided on the call. 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/0596>

Self-Governance Implementation

Modification 0603S – Removal of liability for members of Performance Assurance Committee

This modification proposes identical arrangements for Performance Assurance Committee members to those already enshrined in the UNC for Energy Balancing Credit Committee members. This ensures that, providing members act in good faith and in accordance with the Performance Assurance Framework document, they will be free of liability.

The consultation closes on Thursday 08 December; a summary of respondents’ views will be provided on the call. 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 the modification should be implemented.

<http://www.gasgovernance.co.uk/0603>

I hope this summary is helpful.

Regards,

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UNC related documents can be accessed via our website: www.gasgovernance.co.uk