Stage 01: Modification

At what stage is this document in the process?

01 Modification

02 Workgroup Report

03 Draft Modification Report

04 Final Modification Report

0545:

Changes to GDN MOD186 Publication dates

By moving the publication date and associated DCMF meetings we aim to align the reporting timetable to when finalised data has become available. The recommended solution will be a better "fit" to the RIIO Annual Iteration timetable and also when pricing publications are completed.

The Proposer recommends that this modification should be:

- subject to self-governance
- assessed by a Workgroup

Low Impact: Transporters and Shippers

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About this document:

This modification will be presented by the proposer to the panel on 16 July 2015.

The panel will consider the proposer's recommendation and agree whether this modification should be:

- subject to self-governance
- referred to a workgroup for assessment.

The Proposer recommends the following timetable:	
Initial consideration by Workgroup	28 July 2015
Workgroup Report presented to Panel	04 September 2015
Draft Modification Report issued for consultation	17 September 2015
Consultation Close-out for representations	01 October 2015 (shortened)
Final Modification Report presented to Panel	02 October 2015
UNC Modification Panel decision	15 October 2015

Any questions?

Contact:
Code Administrator
enquiries@gasgovernance.co.uk
0121 288 2107

Proposer:
Jon Trapps
email address: jtrapps@northerngas.co.uk
0113 397 5354

Transporter:
Northern Gas Networks

Systems Provider:
Xoserve
commercial.enquiries@xoserve.com

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1 Summary

Is this a Self-Governance Modification?

It is proposed that this modification is subject to Self Governance as it is mainly of an administrative nature as it is only realigning reporting dates, therefore it is unlikely to have a material effect on: gas consumers, competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes or the uniform network code governance procedures or the network code modification procedures.

Is this a Fast Track Self-Governance Modification?

It is not proposed that this modification is subject to Fast Track self-governance as it is not properly a house keeping modification.

Why Change?

The current publication dates for the quarterly MOD186 pricing statements are misaligned with when final information is available, resulting in the need to explain variances between publications.

By changing the publication dates (and associated Transporter/Shipper meeting dates) it would result in fewer assumptions having to be made, resulting in less time needed explaining variations between assumed and actual costs.

Solution

Our recommended solution is to:

1. Gas Distribution Network's (GDN) continue to report to the existing quarterly definitions outlined in the UNC.
2. Change the wording of section V 5.13.1 (g) to the following : *(changes in red text)*

   "**Required Date**" shall mean **no later than** the 10th Business Day of the **next** calendar month following the end of the Quarter for which the information prescribed in Annex V4 is being provided.

Relevant Objectives

It is felt this would better achieve relevant objective f) in the UNC of "Efficiency in administration of the network code". By changing the publication and meeting dates we will be able to include finalised values instead of forecast values.

Implementation

No implementation timescales are proposed, however if this modification were approved publication and meeting dates would need to be realigned to the new timetable. This would need to be discussed with shippers at the DCMF for approval.

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

No

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2 Why Change?

- The current publication dates for the quarterly MOD186 pricing statements are misaligned with when final information is available, resulting in the need to explain variances between publications. Examples of this are:
  - MODt adjustment, published by Ofgem in November annually, after the MOD186 publication in October.
  - Latest Inflation and Interest forecasts, published by HM Treasury in November annually, also after the MOD186 October statement.
  - Final pricing statements published at the end of January annually - after the January MOD186 publication.
- By changing the publication dates (and associated GDN/Shipper meeting dates) it would result in fewer assumptions having to be made, resulting in less time needed explaining variations between assumed and actual costs.

3 Solution

Our recommended solution is to:

1. GDN's continue to report to the existing quarterly definitions outlined in the UNC.
2. Change the wording of section V 5.13.1 (g) to the following : *(changes in red text)*

   "**Required Date**" shall mean **no later than** the 10th Business Day of the **next** calendar month following the end of the Quarter for which the information prescribed in Annex V4 is being provided.

A summary of the proposed timetable is shown below:

Current Mod186 publication & meeting dates	Proposed Solution		
	Existing UNC Quarter Definition	**GDN Mod186 Publication Date**	**DCMF GDN/Shipper meeting date**
Publication : 10th October DCMF : end of October	Ending November	10th working day of December	Most likely 1st full week of new year
	(changing to this publication date ensures the finalised "MOD" value is included calculated by Ofgem by end of November)		
Publication : 10th January DCMF : end of January	Ending February	10th working day of March	Last week of March
	(changing to this publication date ensures the final prices for the following regulatory year are included as published on the 31st January each year)		
Publication : 10th April DCMF : end of April	Ending May	10th working day of June	Last week of June

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Publication : 10th July DCMF : end of July		Ending August	10th working day of September	Last week of September
		Note : If shippers require any information between the revised September and December quarterly mod186 updates above this could be taken from the 150 day indicative price change statements issued on the 31st October each year		

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

It is felt this modification would better achieve relevant objective f) “Efficiency in administration of the network code”. By changing the publication and meeting dates it will be possible to include finalised values instead of forecast values and therefore remove any doubt about potential amendments when the final reports are published.

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5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

However, no implementation timescales are proposed. If this modification is approved, publication and meeting dates would need to be realigned to the new timetable and this would need to be discussed with shippers at the DCMF for approval.

6 Impacts

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

No

7 Legal Text

It is recommended that section V5.13.1 (g) should be amended to the following:

"**Required Date**" shall mean **no later than** the 10th Business Day of the **next** calendar month following the end of the Quarter for which the information prescribed in Annex V4 is being provided.

Text Commentary

The current wording in the UNC says the "second" calendar month – the solution recommended above wants to replace this with the "next" calendar month. Also introduce the words "no later than" so it is clear that the report deadline is the 10th working day but can be published earlier if the user wishes to do so.

8 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should be subject to self-governance; and
- Progress to Workgroup assessment.

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