

<b>UNC Modification</b>	At what stage is this document in the process?
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<h1 style="margin: 0;">UNC 0628S:</h1> <h2 style="margin: 0;">Standard Design Connections: PARCA process</h2>	<div style="border: 1px solid #00a651; background-color: #00a651; color: white; padding: 2px; margin-bottom: 2px;">01 Modification</div> <div style="border: 1px solid #00a651; padding: 2px; margin-bottom: 2px;">02 Workgroup Report</div> <div style="border: 1px solid #00a651; padding: 2px; margin-bottom: 2px;">03 Draft Modification Report</div> <div style="border: 1px solid #00a651; padding: 2px;">04 Final Modification Report</div>
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**Purpose of Modification:**  
 This modification will introduce the Standard Design Connection to the PARCA<sup>1</sup> processes.

	<p>The Proposer recommends that this modification should be:</p> <ul style="list-style-type: none"> <li>• subject to self-governance</li> </ul> <p>This modification will be presented by the Proposer to the Panel on <b>19 Oct 2017</b>. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>
	<p>High Impact: None</p>
	<p>Medium Impact: None</p>
	<p>Low Impact: Transporters, Shippers and Consumers</p>

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<sup>1</sup> Planning and Advanced Reservation of Capacity Agreement

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<p>The Proposer recommends the following timetable:</p> <table border="1"> <tbody> <tr> <td>Initial Consideration by Workgroup</td> <td>02 November 2017</td> </tr> <tr> <td>Workgroup Report presented to Panel</td> <td>17 May 2018</td> </tr> <tr> <td>Draft Modification Report issued for consultation</td> <td>17 May 2018</td> </tr> <tr> <td>Consultation Close-out for representations</td> <td>8 June 2018</td> </tr> <tr> <td>Final Modification Report available for Panel</td> <td>11 June 2018</td> </tr> <tr> <td>Modification Panel decision</td> <td>21 June 2018</td> </tr> </tbody> </table>		Initial Consideration by Workgroup	02 November 2017	Workgroup Report presented to Panel	17 May 2018	Draft Modification Report issued for consultation	17 May 2018	Consultation Close-out for representations	8 June 2018	Final Modification Report available for Panel	11 June 2018	Modification Panel decision	21 June 2018
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Any questions?

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## 1 Summary

### What

This is a modification which seeks to introduce the Standard Design Connection to the PARCA process within UNC. The Standard Design Connection will be defined within the UNC under the Application to Offer (A2O) connection process and UNC Modification - Standard Design Connections: A20, raised in parallel to this modification proposes this introduction. The Standard Design connection has been developed by Project CLoCC<sup>2</sup> pre-approved and pre-appraised designs which allow a quicker and cheaper connection to the NTS. In order for the customer to utilise this Connection Offer the customer may require to also be able to secure capacity to the NTS via the Planning And Reservation of Capacity Agreement (PARCA) process within similar timescales.

### Why

The process for reserving capacity for a Standard Design Connection customer and the A2O process for receiving a connection offer to the NTS require aligning. In order to allow an accelerated route through the PARCA application process for a Standard Design Connection, the PARCA process requires amending. Both time and cost may be saved due to the introduction of a Capacity Indicator, containing up front analysis in the new Connections Portal, being delivered by Project CLoCC in October 2018. The new connections portal enables an accelerated capacity process for a Standard Design Connection for customers with a Green indicator. A Green indicator signifies that National Grid could possibly substitute capacity from another location to this new connection.

### How

By changing the relevant sections of UNC to allow the introduction of an accelerated route through the PARCA process for a Standard Design Customer with a Green Indicator.

## 2 Governance

### Justification for Self-Governance

It is proposed that this modification proposal is subject to Self-Governance procedures as it is unlikely to have a material impact on consumers, competition, operation of the pipeline system, matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies, or governance procedures. In addition, it is unlikely to unduly discriminate between different classes of parties to the UNC. This is on the basis that it seeks to make a minor change by introducing an accelerated route through the PARCA process for a Standard Design Customer with a Green capacity indicator.

### Requested Next Steps

This modification should:

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<sup>2</sup> Customer Low Cost Connections

- be considered a non-material change and subject to self-governance

### 3 Why Change?

#### Background

Project CLoCC is a Network Innovation Competition project with the objective of reducing the time and cost of connection to the National Transmission System (NTS). Project CLoCC will deliver Standard Designs which are pre-appraised and approved in order to achieve the objectives. Currently UNC defines the Capacity PARCA process and this will need amending to align the timing of the reservation of capacity with the A20 process for receiving a connection Offer to the NTS. This should then allow the Standard Designs to be more effectively implemented and utilised by potential customers.

#### Resolution

In order to deliver Standard Designs the UNC is required to be modified to allow for the definition of a Standard Design connection which can then have a more appropriate efficient and economic process applied for the customer. It is proposed that it is appropriate to have an accelerated PARCA Stage 1 process for a Standard Design Connection with different costs and timelines associated compared with a non-standard design. In order to fully achieve the above the PARCA process should be aligned where possible to the timeline for the A20 Offer process by introducing the accelerated route through PARCA Phase 1 for a Standard Design Connection customer with a Green Capacity Indicator. This is possible due to the introduction of a Capacity Indicator containing up front analysis in the new online Connections Portal to be delivered by Project CLoCC in October 2018.

In particular to achieve the principles as proposed in the solution section 5 below.

### 4 Code Specific Matters

#### Reference Documents

TPD B, Y

#### Knowledge/Skills

NTS Capacity- PARCA processes

### 5 Solution

#### Solution

It is proposed that TPD is amended to allow for the following principles to apply...

1. Introduction of an accelerated route through the PARCA process for a Standard Design Customer with a Green capacity indicator. (TPD B1.15/1.17)

- a. National Grid will, as soon as reasonably practical, validate the PARCA application as follows.

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- i. Where a Green Capacity indicator is associated to the PARCA within [2 weeks] of notice of Competent PARCA application as described in B1.15.4 confirm to the PARCA Applicant the output of the Validation is either to remain classed as Green or to be classed as Red.
- ii. Where an Amber capacity indicator is associated to the PARCA within [4 weeks] of notice of Competent PARCA application as described in B1.15.4 to notify the PARCA Applicant the output of the validation is either to be classed as Green or to be classed as Red
- iii. If the relevant fee the PARCA Applicant has paid is different to the fee for the output of the validation then a further relevant fee will be required to be paid.

2.

Note: If the PARCA application has an Amber capacity indicator associated then it will be treated as Green (same rules as above will apply).

PARCA scenarios discussed to be taken account of are in the attached document for reference.



b. To determine the time that an accelerated PARCA application will take, taking account of the different potential scenarios - see attached appendix (ref TPD B 1.17.1)

- i. If the PARCA application is for a Standard Design and has a validated Green or Amber capacity indicator associated then the Phase 1 PARCA Works shall be completed within the following timescales...

Where the PARCA Window is open for 20 consecutive business days, within [X] from the date of initiation of the Phase 1 PARCA works.

Where the PARCA window is open for 40 days consecutive business days, within [x] from the date of initiation of the Phase 1 PARCA works.

If this indicator later changes to a Red Capacity indicator due to any of the following:

1. Network Analysis Validation process by National Grid determines full time required up to 6 months
2. Interacting applications received within the PARCA window which results in additional network analysis requirement.

Then the PARCA Phase 1 works will be delivered within 6 months.

3. To allow appropriate and proportionate PARCA application fees. (TPD Y 5.45)

- a. To allow PARCA fees to be different (ref Y.S5.45.a.ii)
- b. To allow for a fee appropriate to a Green capacity indicator (simple).
  - i. For this fee to also be applied to an Amber capacity indicator - To be set out in the Connections Charging Statement.

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- c. To allow for a Top up fee in the situation where a Green (or Amber) Capacity indicator is later changed to a Red Capacity indicator attracting the full PARCA fee (complex - up to 6 months) following validation or due to the impact of interacting applications received through the PARCA window. – to be set out in the Connections Charging Statement

- 4. 
- 5. Update defined terms specific to PARCA eg. Capacity Indicator (any not covered in UNC Mod 0629s).

A Capacity Indicator – is a traffic light indication of capacity availability provided by the Online connections portal or by National Grid directly. Green, Amber or Red indication is given to indicate the availability of capacity based on the likely ability to satisfy the request through capacity substitution.

Note: UNC Modification 0629s for Standard Design Connection Capacity- A2O modification is being developed by workgroup in parallel.

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## 6 Impacts & Other Considerations

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

No

### Consumer Impacts

To be determined

### 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.	Positive
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or	None

(ii) the pipe-line system of one or more other relevant gas transporters.	
c) Efficient discharge of the licensee's obligations.	Positive
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.	Positive
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.	None
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

**OR, for Section Y (Charging Methodology) Modifications**

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 - (I) best calculated to promote efficiency and avoid undue preference in the supply of transportation services; and (II) best calculated to promote competition between gas suppliers and between gas shippers;	None
b) That, so far as is consistent with sub-paragraph (a), the charging methodology properly takes account of developments in the transportation business;	Positive
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	Positive
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 modification furthers relevant objective b).and c) because it introduces appropriate changes into the UNC to align the reservation of capacity with the Connections process in order to facilitate the introduction of **more efficient processes** for gas connections to the NTS.

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## 8 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.

Project CLoCC ~~give date will be 30<sup>th</sup> October 2018 and therefore the effective implementation date for the Mod should also be 30<sup>th</sup> October 2018.~~ ~~The timetable proposed is to ensure delivery of the modification ahead of the Project delivery date and to allow time for other consultations required following Mod implementation decision.~~

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## 9 Legal Text

*Proposers are welcome to provide Suggested Legal Text alongside their modification, but are under no obligation to do so unless Fast Track procedures are requested (see above).*

*Legal text will be drawn up by the relevant Transporter at a time when the modification is sufficiently developed in line with the [Legal Text Guidance Document](#).*

### Text Commentary

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<u>Paragraph</u>	<u>Explanation</u>
<u>TPD B1.15</u>	<b><u>New point added to allow for the validation of competent PARCA application capacity indicator.</u></b>
<u>TPD B1.17.1</u>	<b><u>Amended to allow for the timescales for delivery of PARCA Phase 1 report for a PARCA with a validated Green capacity indicator where PARCA Window open for 20 or 40 consecutive business days.</u></b>
<u>TPD Y.45</u>	<b><u>Removal of 45 a)ii and reference to the fees being set out in the Statement for Gas Transmission Connection Charging.</u></b>

### Text

To be provided during Mod Development

## 10 Recommendations

### Proposer's Recommendation to Panel

Panel is asked to: Refer this proposal to a Workgroup for assessment.