

UNC Final Modification Report	At what stage is this document in the process?
<p><b>UNC 0853S:</b></p> <p><b>CDSP permissions to facilitate implementation of UNC0701</b> <i>(Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs)</i></p>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">01</span> Modification         </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b></p> <p>Modification 0701 (<i>Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs</i>), is being implemented in November 2023, should Shippers not reduce capacity in line with the NExA agreement they will be in breach of Uniform Network Code at this time. This Modification gives permission for the CDSP to reduce the capacity to align with the NExA should the Shipper not do so. Also includes administrative change re use of acronym NExA.</p>	
<p><b>Next Steps:</b></p> <p>The Panel determined that this Self-Governance Modification should be implemented.</p>	
<p><b>Impacted Parties:</b></p> <p>High: Gas Transporters, &amp; Shippers</p> <p>Low: IGTs (<i>where the NExA is with the IGT in relation to a single MRPN CSEP</i>)</p>	
<p><b>Impacted Codes:</b></p> <p>The IGT UNC may need to raise a Modification in relation to any sites that are single MRPN CSEPS, as these are within the scope of Modification 0701. The IGT UNC administrator has been contacted, 14 July 2023, to ask them to assess.</p>	

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Timetable		
<b>Modification timetable:</b>		
Pre-Modification Discussed	22 June 2023 & 27 July 2023	
Date Modification Raised	19 July 2023	
New Modification to be considered by Panel	17 August 2023	
Workgroup Report to be presented to Panel	17 August 2023	
Draft Modification Report issued for consultation	18 August 2023	
Consultation Close-out for representations	11 September 2023	
Final Modification Report available for Panel	12 September 2023	
Modification Panel decision	21 September 2023	
		 Any questions? Contact: <b>Joint Office of Gas Transporters</b>  <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>  0121 288 2107 Proposer: <b>Tracey Saunders, Northern Gas Networks</b>  <a href="mailto:trsaunders@northernngas.co.uk">trsaunders@northernngas.co.uk</a>  07580 215743 Transporter: <b>Tracey Saunders, Northern Gas Networks</b>  <a href="mailto:trsaunders@northernngas.co.uk">trsaunders@northernngas.co.uk</a>  07580 215743 Systems Provider: <b>Xoserve</b>  <a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a>

## 1 Summary

### What

- a) To add clarity that should the Shipper not reduce the capacity of any site where the booked capacity exceeds that as stated in the Network Exit Agreement (NExA), in line with the legal text for approved Modification 0701 (*Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs*) due to be implemented in November 2023), then the CDSP will do so. Without the intervention by the CDSP in these cases, the Shipper would continue to remain in breach of Code without any confirmed time frame for rectification of the breach.
- b) There is also a change of instances of 'Network Exit Agreement' to 'NExA' to be consistent with the use of the abbreviation within the rest of the section.

### Why

Modification 0701 was approved by Ofgem in May 2021. Due to the system solution impacting areas that were changing under CSS, it was agreed that a post-CSS solution only would be considered to save on the cost of implementing two different solutions, especially when one of these solutions would be in place for only a year.

The original implementation date was foreseen to be in November 2022, post-CSS go live: The CDSP raised concerns around the complexity of the solution and its link to the CSS systems and therefore had concerns about implementing the Modification 0701 system changes during the post-CSS hyper care period, therefore they removed it from the November 2022 release, and it is now set for November 2023.

- a) Permissions are included to allow the CDSP to carry out capacity reductions, within a capacity reduction window, for these sites, should the Shipper fail to carry these out before the modification implementation date (04 November 2023).
- b) Additionally, the existing approved Modification 0701 text uses both the phrase 'Network Exit Agreement' and the recognised abbreviation 'NExA'. Therefore all references within this text have now been amended to 'NExA' for consistency.

### How

- a) From 04 November 2023 the CDSP will be given enduring permissions to reduce sites, within the existing capacity reduction window, where a booked SOQ and/or SHQ exceeds the value as stated in the NExA.
- b) Existing references to 'Network Exit Agreement' and 'NExA' within the Modification 0701 text will all now be shown as 'NExA' for consistency.

## 2 Governance

### Justification for Self-Governance

This Modification is to facilitate the effective implementation of an existing approved modification. And is only relevant to a small number of sites (estimated to be less than 25). The Modification adds clarity that should the shipper not rectify the breach, that the CDSP will be able to do so on the Shippers behalf. Based on these factors we believe the impact to be de minimis and that it meets the Self Governance criteria.

The amendments for consistency of terminology are in line with the criteria for Self-Governance as they facilitate

the efficiency of the Code without amending any obligations.

## Requested Next Steps

This Modification should be considered a non-material change and subject to Self-Governance.

Modification 0701 has been approved since May 2021, and its expected implementation date of 04 November 2023, has been discussed in the UNC Panel and at other UNC Workgroups/Meetings for a number of months. The change to clarify that the CDSP will reduce the capacity, should the Shipper not do so, has also been discussed as a pre-Modification at the June 2023 and July 2023 Distribution Workgroups.

## 3 Why Change?

Modification 0701 was raised in August 2019 and was approved for implementation by Ofgem in May 2021. Due to the implementation of CSS scheduled in 2022, and the fact that this impacted the same areas of the systems that would need to be changed for Modification 0701 it was agreed that it was more efficient to only implement Modification 0701 after CSS had been successfully implemented. As Modification 0701 implementation also requires this to be within a capacity reduction window this has resulted in implementation being delayed until November 2023.

The passage of time, from both original workgroups and Ofgem's decision, has resulted in the need for this additional Modification to be raised to address these items.

### Consistency of terminology

For consistency, instances of 'Network Exit Agreement' have been amended to 'NExA' so that the whole section is consistent in its use of the abbreviation (as there was a mix of both throughout).

### CDSP Permissions

The original discussions in Workgroups were based on assumptions that existing sites where the value of the booked capacity exceeded that within the NExA would be brought line with the NExA before implementation of the Modification. The Workgroup Report (published 31/03/2020) states the following;

#### **Workgroup Impact Assessment**

*The Workgroup has met seven times to refine the proposed rules and text to give effect to 3 principal aspects of the interaction of NExAs and the prevailing business rules in the UNC. These factors can be summarised as follows:*

- 1. to provide increased visibility of the existence of NExA Supply Points and the associated offtake parameters by populating the NExA flag in DES and ensuring the corresponding data fields are complete and accurate,*
- 2. to establish the maximum capacity in the NExA as maximum bookable under the provisions of the UNC: and,*
- 3. where a capacity increase is triggered under the provisions of the UNC, and the associated NExA has a future dated capacity increase included in a NExA, to ensure that any capacity increases are limited by date & quantity to the values set-out in the NExA.*

*There was a consensus in the Workgroup that in these specific areas of the UNC would benefit from additional clarity, in terms of the primacy of NExA conditions over general conditions set out in the UNC, and improved information flows resulting from the DES changes would add clarity for Users and consumers alike.*

*Given there have been instances where Shippers have experienced issues in relation to the interaction of offtake arrangements, where a NExA has constrained offtake parameters, and the UNC has permitted these values to be exceeded, tying system capacity and NExA values together was generally viewed as a positive measure.*

These statements support the intent that the NExA and the capacity booked would be aligned. However due to the time between these Workgroups and implementation, along with the fact that both the NExA and the Shippers

contracts with the sites are commercial agreements, it is felt that an explicit statement in the UNC, of the CDSPs ability to reduce the capacity for any sites that remain above the value in the NExA at implementation, is needed.

The hope is that all Shippers will reduce any capacity bookings that remain in excess of the NExA values between the opening of this year's capacity window (01/10/2023) and the implementation date of Modification 0701 (04/11/2023) so that the CDSP do not need to make the reductions. The inclusion of their ability to do so within the UNC will hopefully aid in this endeavour.

The CDSP permissions are to be added as enduring, so that should there be any instances in the future where, for whatever reason (e.g. system fault or manual input error), the CDSP retain the ability to correctly align the booked capacity and NExA, where the Shipper does not do so itself.

There has been a period of monthly reporting to both Shippers and Networks advising of any sites where the booked capacity exceeds that stated within the NExA over the past year, these communications will restart on or before the start of the Capacity Reduction Window, which is just over a month before the implementation date for Modification 0701.

Without this clarity Shippers may find themselves in breach of the Code with sites not wanting them to amend the capacity booking to rectify the situation, this solution therefore allows the Shippers to confirm to sites that the rectification of the breach is inevitable with or without the Shippers submission of a reduction. Without this solution, Shippers could potentially remain in breach of Annex B-3 paragraph 6.1 (as per approved Modification 0701), shown below for reference.

6.1 For the purposes of this Annex B-3, in respect of a DM Supply Point:

- (a) the "**Maximum Supply Point Capacity**" is:
  - (i) except where paragraph (a)(ii) applies, the quantity which (where it is necessary to do so under this Section G) the Transporter determines to be the maximum quantity which it is feasible to make available for offtake in a 24 hour period at the DM Supply Point;
  - (ii) which comprises a NExA Supply Meter Point,
    - (A) any maximum daily rate of offtake specified in the NExA; or
    - (B) where not specified in the NExA, 24 times any maximum offtake hourly rate specified in the NExA;
- (b) the "**Maximum Supply Point Offtake Rate**" is:
  - (i) except where paragraph (b)(ii) applies, the instantaneous rate of offtake (in kWh/hour) which (where it is necessary to do so under this Section G) the Transporter determines to be the maximum instantaneous rate at which it is feasible to make available for offtake at the DM Supply Point; and
  - (ii) which comprises a NExA Supply Meter Point, any maximum offtake rate specified in the NExA;

in each case consistently with the requirements of paragraph 5.

## 4 Code Specific Matters

### Reference Documents

## Knowledge/Skills

Awareness / understanding of:

- UNC in relation to Capacity reductions, NExAs and Ratchets.
- UNC Modification 0701 - Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs - <https://www.gasgovernance.co.uk/0701>

## 5 Solution

### Insert subheading here (if required)

- BR1. In the event that the Shipper does not reduce the SOQ and/or SHQ on or before the implementation of Modification 0701 (4<sup>th</sup> November 2023), or at any time after this, at which the CDSP become aware that the SOQ and /or SHQ exceeds the value in the NExA, the CDSP will be given permissions to reduce the SOQ and / or SHQ of a site from where the booked capacity exceeds the capacity as stated within the NExA. This reduction is to be performed as soon as the CDSP is able, following from BR2, and will be within the capacity reduction window.
- BR2. The CDSP will notify the Shipper of the Maximum Permitted Supply Point Capacity and Maximum Permitted Supply Point Offtake Rate, from which point the user will have 10 Supply Point System Business Days (SPSBD) to submit a Supply Point Amendment to reduce to on or below the Maximum Permitted Supply Point Capacity and Maximum Permitted Supply Point Offtake Rate. Should the notice be sent outside of the capacity reduction window and more that 10 SPSBDs before the start of the next capacity reduction window, then the user will be expected to submit the Supply Point Amendment on the 1st SPSBD of the next capacity reduction window.
- BR3. Use of the term 'Network Exit Agreement' within the approved Modification 0701 legal text is to be amended to 'NExA' to be consistent with the rest of the Modification 0701 legal text.

## 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

Modification 0701, and therefore this Modification by association, impacts Daily Metered Consumers where there is a NExA agreement in place. This Modification ensures that the maximum capacity is aligned between the NExA which is between the Site and the Transporter via the NExA, and under UNC which is between the Shipper and Transporter.

### What is the current consumer experience and what would the new consumer experience be?

The below is completed in reference to non-domestic consumers, who have a NExA for a single CSEP with a transporter.

### Impact of the change on Consumer Benefit Areas:

Area	Identified impact
<p><b>Improved safety and reliability</b></p> <p>The visibility and alignment of both the maximum value in the NExA and the maximum capacity in the system ensure that the Shipper is always aware of the existence of a NExA and can convey the details as such to the site when discussing bookings. (Some NExAs have been in place for an extended period, and with changes of staff and restructuring of roles at some sites, this has resulted in those responsible for agreeing the contracts with the shippers are not always aware of the existence of a historical NExA at the site).</p>	Positive ( <i>limited to sites with a NExA</i> )
<p><b>Lower bills than would otherwise be the case</b></p> <p>Where a capacity booking exceeds the maximum value in the NExA, in theory, additional capacity is being paid for than what is contractually permitted in the NExA. Ensuring that these are aligned, should reduce the costs in these limited cases.</p>	Positive ( <i>limited to sites with a NExA that have bookings in excess of the NExA value</i> )
<p><b>Reduced environmental damage</b></p> <p>Not Applicable</p>	None
<p><b>Improved quality of service</b></p> <p>Not Applicable</p>	None
<p><b>Benefits for society as a whole</b></p> <p>Not Applicable</p>	None

### Cross-Code Impacts

IGT UNC

Sites where there is a single MPRN on a CSEP are in scope of Modification 0701, and therefore also in the scope of this additional Modification. I have reached out to the IGT UNC, and should they identify the need for a Modification to also be raised in the IGT UNC this will need to be managed accordingly.

### EU Code Impacts

None.

### Central Systems Impacts

- The CDSP will need to create and send a report to advise Shippers where a site exceeds the value as stated in the NExA.
- The CDSP will need to be able to reduce the capacity of any sites identified above, where the shipper fails to reduce it in accordance with the business rules.

Due to the small number of sites these solutions are expected to be manual processes.

## 7 Relevant Objectives

### Impact of the Modification on the Transporters' 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 (ii) the pipe-line system of one or more other relevant gas transporters.	Positive
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.	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

a, b & c - Ensuring that where a NExA exists the booked capacity is not in excess of the values in the NExA helps protect the integrity of each Transporters pipeline. This includes sites that have a single MPRN on a CSEP. We are not specifically referring to one specific Licence obligation as the economical and efficient operation of the pipeline, is a principle throughout the Licence.

f – The consistency of terminology within this text improves the efficiency and implementation of Modification 0701 and Code.

## 8 Implementation

This Modification should be implemented at the same time as Modification 0701 (04 November 2023).

## 9 Legal Text

### Text Commentary

Updated references to 'Network Exit Agreement' to NExA to be consistent with the rest of the text

Added new paragraph 5.5 to confirm that where a User does not reduce the capacity, the CDSP will do so and the steps and time frame needed for this.

Amendment to Annex G-1 Table D to confirm that the CDSP can amend the Supply Point Capacity in accordance with the new paragraph 5.5.

## Text

Legal text (change marked against the approved 0701 legal text)

### TRANSPORTATION PRINCIPAL DOCUMENT

#### SECTION B – SUPPLY POINT CAPACITY

Amend paragraph 4.7.3 to read as follows:

- 4.7.3 Subject to Annex B-3 paragraph 6.5, the increased amount (the "**Ratcheted Supply Point Capacity**") of the User's DM Registered Supply Point Capacity shall be;
- (c) the sum of the User's DM Registered Supply Point Capacity on the Day of the Supply Point Ratchet and the Capacity Ratchet Amount;
  - (d) where the Supply Point at which the Supply Point Ratchet occurred comprises a NExA Supply Meter Point, the lesser of:
    - (i) the sum of the User's DM Registered Supply Point Capacity on the Day of the Supply Point Ratchet and the Capacity Ratchet Amount; and
    - (ii) where the sum of the User's DM Registered Supply Point Capacity on the Day of the Supply Point Ratchet and the Capacity Ratchet Amount would exceed any maximum daily rate of offtake specified in the NExA, any daily rate of offtake specified in the NExA.

Amend Annex B-3 paragraphs 5.1 and 5.2 to read as follows:

5 Absolute Requirement

5.1 A User's Supply Point Capacity shall be:

- (a) in respect of a DM Supply Point no greater than 24 times, or less than 4 times, the Supply Point Offtake Rate;
- (b) in respect of a DM Supply Point which comprises a NExA Supply Meter Point no greater than any maximum daily rate of offtake specified in the NExA;
- (c) in the case of an NTS Supply equal to 24 times the Supply Point Offtake Rate ("the Absolute Requirement").

5.2 The CDSP will reject any Registration Nomination in respect of a Proposed Supply Point which is a DM Supply Point where the Nominated Supply Point Capacity and the Supply Point Offtake Rate are not in compliance with paragraph 5.1

*Add new paragraph 5.5 to read as follows:*

- 5.5 In the case of a NExA Supply Meter Point in the event the CDSP is made aware that a User's Supply Point Capacity and/or Supply Point Offtake Rate is greater than permitted in the NExA, the CDSP shall:
- (d) promptly notify the User of the prevailing Supply Point Capacity and/or Supply Point Offtake Rate and the maximum permitted rate of offtake specified in the NExA;

- (e) the User shall submit a Supply Point Amendment to modify the Supply Point Capacity and /or Supply Point Offtake Rate to reflect the maximum permitted rate of offtake (or lesser rate) specified in the NExA with effect from the date of the notice under paragraph (a) within ten (10) Supply Point Systems Business Days of such notice, or where such period ends outside of a Capacity Reduction Period, with effect from the first Supply Point Systems Business Day in the following Capacity Reduction Period;
- (f) where the User fails to submit a Supply Point Amendment in accordance with paragraph (e), as soon as reasonably practicable modify the Supply Point Registration with effect from the relevant date in paragraph (e) such that the Supply Point Capacity and/or Supply Point Offtake Rate reflect the maximum permitted rate of offtake specified in the NExA.

Amend Annex B-3 paragraphs 6.1, 6.2 and 6.5 to read as follows:

## **6 Transporter Determination of Feasibility**

6.1 For the purposes of this Annex B-3, in respect of a DM Supply Point:

- (a) the "**Maximum Supply Point Capacity**" is:
  - (i) except where paragraph (a)(ii) applies, the quantity which (where it is necessary to do so under this Annex B-3) the Transporter determines to be the maximum quantity which it is feasible to make available for offtake in a 24 hour period at the DM Supply Point;
  - (ii) which comprises a NExA Supply Meter Point,
    - (A) any maximum daily rate of offtake specified in the ~~Network Exit Agreement~~ NExA; or
    - (B) where not specified in the ~~Network Exit Agreement~~ NExA, 24 times any maximum offtake hourly rate specified in the ~~Network Exit Agreement~~ NExA;
- (b) the "**Maximum Supply Point Offtake Rate**" is:
  - (i) except where paragraph (b)(ii) applies, the instantaneous rate of offtake (in kWh/hour) which (where it is necessary to do so under this Annex B-3) the Transporter determines to be the maximum instantaneous rate at which it is feasible to make available for offtake at the DM Supply Point; and
  - (ii) which comprises a NExA Supply Meter Point, any maximum offtake rate specified in the ~~Network Exit Agreement~~ NExA;

in each case consistently with the requirements of paragraph 5.

6.2 The "**Provisional Maximum Supply Point Capacity**" is in respect of a DM Supply Point (other than a Proposed Supply Point which comprises a New Supply Meter Point and a NTS Supply Point) is whichever is the lesser of:

- (a) 2 times the Prevailing Supply Point Capacity;
- (b) 16 times the Supply Point Offtake Rate or (in the case of a Proposed Supply Point) the Nominated Supply Point Offtake Rate; and
- (c) where the DM Supply Point comprises a NExA Supply Meter Point, any maximum rate of offtake specified in the NExA.

...

- 6.5 Where, following the occurrence of a Supply Point Ratchet in relation to a DM Supply Point, the sum of the Capacity Ratchet Amount and the User's Registered Supply Point Capacity would exceed the Provisional Maximum Supply Point Capacity the CDSP will inform the Transporter:
- (a) with effect from the Day following the Day on which the Supply Point Ratchet occurred, and until the Transporter has assessed whether it is feasible to make available gas for offtake (in a 24 hour period) in the amount of such sum, the Ratcheted Supply Point Capacity shall be equal to the Provisional Maximum Supply Point Capacity;
  - (b) with effect from the time at which the Transporter has assessed such feasibility and notified the CDSP, the Ratcheted Supply Point Capacity shall be equal to the lesser of:
    - (i) the Maximum Supply Point Capacity;
    - (ii) the sum of the User's Registered Supply Point Capacity (immediately before the Supply Point Ratchet) and the Capacity Ratchet Amount; and
    - (iii) where a NExA exists, any maximum rate of offtake specified in the NExA; and
  - (c) the CDSP will inform the Registered User of the Ratcheted Supply Point Capacity determined under paragraph (b) as soon as reasonably practicable after such feasibility was assessed by the Transporter and notified to the CDSP.

**SECTION G – SUPPLY POINTS**

*Amend Annex G-1 Table D, Column 2 – Who may modify, and the row labelled, Supply Point Capacity, to read:*

CDSP, subject to Section B, Annex B-3 paragraph 5.5

**10 Consultation**

Representations were invited from interested parties on 18 August 2023. All representations are encompassed within the Appended Representations section, including any initial representations.

The following table provides a high-level summary of the representations.

Implementation was unanimously supported in the 3 representations received.

Representations were received from the following parties:		
Organisation	Response	Relevant Objectives
Cadent	Support	a) positive b) positive c) positive f) positive
Northern Gas Networks	Support	a) positive b) positive c) positive

		f) positive
Wales & West Utilities	Support	a) positive b) positive c) positive f) positive

Please note that late submitted representations may not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

## 11 Panel Discussions

### Discussion

The Panel Chair summarised that Modification 0853S would give permission for the CDSP to reduce the capacity to align with the NExA should the Shipper not do so and also include administrative change re-use of the acronym NExA.

Panel Members considered the representations made noting that implementation was unanimously supported in the 3 representations received.

Panel Members agreed with respondents and the Proposer that this Modification would enable alignment of the NExA and central systems.

### Consideration of the Relevant Objectives

Panel Members considered Relevant Objective a) Efficient and economic operation of the pipe-line system, agreeing that implementation would have a positive impact because the Modification gives the ability to the CDSP to align these values, should the Shipper be unable to or not do so, which should prevent Shippers being in extended breach of the UNC for the misalignment, and prevent sites from paying for capacity that is not available to them.

Panel Members considered Relevant Objective 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.*

Panel Members agreed that implementation would have a positive impact because the Modification also covers single MPRN CSEPs.

Panel Members considered Relevant Objective c) Efficient discharge of the licensee's obligations, agreeing that implementation would have a positive impact because ensuring that where a NExA exists the booked capacity is not in excess of the values in the NExA helps protect the integrity of each Transporters pipeline. This includes sites that have a single MPRN on a CSEP.

Panel Members considered Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code, agreeing that implementation would have a positive impact because the consistency of terminology within this text improves the efficiency and implementation of Modification 0701 and Code.

## Determinations

Panel Members voted unanimously that no new issues were identified as part of consultation.

Panel Members voted unanimously that there are Cross-Code impacts associated with this Modification.

Panel Members voted unanimously to implement Modification 0853S

## 12 Recommendations

### Panel Determination

Panel Members agreed that Modification 0853S should be implemented.

## 13 Appended Representations

Initial Representation – None

Representation - Cadent

Representation - Northern Gas Networks

Representation - Wales & West Utilities



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8<sup>th</sup> September 2023  
Your Reference: UNC Modification Proposal 0853S

UNC Modification Proposal 0853S - CDSP permissions to facilitate implementation of UNC 0701

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposal to which Cadent supports.

### **Do you support or oppose implementation?**

Support

### **Relevant Objective:**

- a) Positive
- b) Positive
- c) Positive
- f) positive

### **Reason for support/opposition:**

Cadent are supportive of this modification as it builds on Modification 0701 by allowing the CDSP, where a Shipper has not already done so, to reduce the booked capacity within the system to align with the relevant NExA.

This will ensure that the relevant Shipper is not technically in breach of code at Modification 0701 implementation date and also ensures that the relevant Shipper will not be paying for capacity which they cannot access.

## **Implementation**

We agree with the proposer that implementation of Modification 0853S should align with the implementation date of Modification 0701; currently set at 4<sup>th</sup> Nov 2023.

## **Impacts and Costs**

Nothing identified.

## **Legal Text**

We are satisfied that the Legal Text meets the intent of the Solution.

## **Are there any errors or omissions in this Modification Report that you think should be taken into account?**

No such errors or omissions identified.

## **Please provide below any additional analysis or information to support your representation**

Nothing further to add.

We trust that this information will assist in the compilation of the Final Modification Report. Please contact me on 07884 113385 ([andy.clasper@cadentgas.com](mailto:andy.clasper@cadentgas.com)) should you require any further information.

Yours sincerely,

Andy Clasper

Joint Office

[enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

1st September 2023

Dear Sir or Madam,

**Re: 0853 - CDSP permissions to facilitate implementation of UNC0701**

Thank you for the opportunity to provide representation on the above noted Modification Proposal. Please find below Northern Gas Network's (NGN) comments in respect of this change.

**NGN supports this Modification Proposal.**

**Reason for support/opposition:**

The visibility and linking of existing and new Network Exit Agreements (NExAs) with central systems, as introduced by UNC Modification 0701 (*Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs*), is intended to ensure that bookings for sites do not exceed the maximum values as stated in the NExA (an agreement between site and Distribution Network), and ensure that Shippers have visibility of where a NExA exists. The original workgroups (and the Ofgem decision) were based around the principle that the introduction of 0701 would ensure that booked capacity did not exceed the maximum value as stated in the NExA. Therefore, the ability for the CDSP to align these values, should the Shipper not do so, should prevent Shippers being in extended breach of the UNC for the misalignment, and prevent sites from paying for capacity that is not available to them. This would therefore be positive for Relevant Objectives a) *efficient and economic operation of the pipe-line system*, 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* (Based on Single MPRN CSEPs also being included), and c) *efficient discharge of the licensee's obligations*.

Additionally, the change of terminology 'Network Exit Agreement' within the section to 'NExA' furthers Relevant Objective f) *promotion of efficiency in the implementation and administration of the Code* by improving consistency of language used within the UNC.

**Implementation:**

We agree that this modification should be self-governance and that implementation should be on 4<sup>th</sup> November 2023 to align with the implementation of UNC modification 0701.

**Impacts and Costs:**

None identified

**Legal Text:**

We believe that the legal text provided should deliver the Solution set out in the proposal.

**Are there any errors or omissions in this Modification Report that you think should be taken into account?**

None identified.

**Please provide below any additional analysis or information to support your representation.**

None.

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,

Tracey Saunders (via email)  
Markets Regulation Manager  
Mobile: 07580 215743

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## Representation - Draft Modification Report UNC 0853S

### CDSP permissions to facilitate implementation of UNC0701 *(Aligning Capacity booking under the UNC and arrangements set out in relevant NExAs)*

**Responses invited by: 5pm on 11 September 2023**

**To:** [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

*Please note submission of your representation confirms your consent for publication/circulation.*

<b>Representative:</b>	Tom Stuart
<b>Organisation:</b>	Wales & West Utilities
<b>Date of Representation:</b>	23.08.23
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	a) Positive b) Positive c) Positive f) Positive
<b>Relevant Charging Methodology Objective:</b>	Not Applicable

#### **Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)**

WWU supports this modification as aligning contractually agreed capacity with actual booked capacity will protect the integrity of the Distribution Network and ensure that sites are not paying for capacity that is not available. By including CDSP permissions to carry out capacity reductions within the capacity reduction window, this modification would also ensure that shipper parties are not in breach of code. This was the original intention of Modification 701, however, this modification states the CDSP function more explicitly.

We agree that this modification furthers relevant objectives a) Efficient and economic operation of the pipeline system, 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, c) Efficient discharge of the licensee's obligations and f) Promotion of efficiency in the implementation and administration of the Code.

#### **Self-Governance Statement: Please provide your views on the self-governance statement**

We agree that this modification should be self-governance.

**Implementation:** *What lead-time do you wish to see prior to implementation and why?*

As soon as possible

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

None

**Legal Text:** *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

No

**Please provide below any additional analysis or information to support your representation**

None