

## **Commentary on Legal text for Modification 506A**

19.1.2 Provides for the cessation of the scheme three years after Project Nexus implementation Date as stated in business rule 1.

19.1.3 (a) Implements business rule 2. From the point at which Mod 440 comes into effect, the performance of DNOs' and shippers' obligations under the UNC with respect to CSEP Meter Points/Supply Points will have an impact on LDZ settlement, and will fall within the performance assurance regime in line with business rule 13. Until that point Shippers' obligations under Section J and the relevant CSEP NExAs will fall within scope.

19.1.3 (b) The use of this term in the definition of ESPAR Guidelines confines the performance assurance scheme/framework to monitoring and reporting on the performance of LDZ Settlement Related Obligations applicable to DNOs and shippers. Any expansion of the performance assurance scheme beyond these activities would, in addition to changes to the ESPAR Guidelines, require a UNC amendment of this definition - see para 19.1.5. The term "Performance Assurance Framework" referred to in the business rules 7 to 10 is descriptive and does not need to be replicated in the legal drafting.

19.2.1 and 19.2.2 Implements business rule 3, subject to the UNC Committee (whose function it is to do so) establishing a sub-committee as contemplated by the Modification Proposal with terms of reference as contemplated by business rule 4.

19.3.1 Implements business rule 6

19.3.2 Implements business rule 11, which states that the role of the Performance Assurance Framework Administrator is set out in the ESPAR Guidelines and business rule 12, which states that the body responsible for administering the Performance Assurance Scheme is the Transporter Agency.