




UNC Final Modification Report	At what stage is this document in the process?
<h1 data-bbox="132 394 730 488">UNC 0793S:</h1> <h2 data-bbox="132 521 1174 734">Determination of Charging Area CVs (Daily CVs) – Modification of Calculation Process Arrangements</h2>	<div data-bbox="1209 389 1477 712"> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px; display: flex; align-items: center;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px; margin-right: 5px;">01</span> <span style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px;">Modification</span> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px; display: flex; align-items: center;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px; margin-right: 5px;">02</span> <span style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px;">Workgroup Report</span> </div> <div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px; display: flex; align-items: center;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px; margin-right: 5px;">03</span> <span style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px;">Draft Modification Report</span> </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px; margin-right: 5px; background-color: #f4a460;">04</span> <span style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px; background-color: #f4a460;">Final Modification Report</span> </div> </div>
<p><b>Purpose of Modification:</b></p> <p>This Modification will amend the UNC OAD due to the election by National Grid NTS (NGG) to terminate the provision of the Daily Calorific Value (CV) calculation service to the gas Distribution Network Operators (DNOs) under UNC OAD Section F effective from 01 April 2021. The existing interim service provision by NGG will cease on 31 March 2022.</p>	
<p><b>Next Steps:</b></p> <p>Panel consideration is due on <b>17 February 2022</b> <i>(at short notice by prior agreement)</i></p>	
<p><b>Impacted Parties:</b></p> <p>High: Transporters &amp; CDSP</p> <p>Medium:</p> <p>Low: Shippers</p> <p>None:</p>	
<p><b>Impacted Codes:</b></p> <p>Uniform Network Code (UNC) – Transportation Principal Document (TPD) &amp; Offtake Arrangements Document (OAD)</p>	

Contents			
1	Summary	3	 Any questions?
2	Governance	3	Contact: Joint Office of Gas Transporters
3	Why Change?	4	 <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>
4	Code Specific Matters	4	 0121 288 2107
5	Solution	5	Proposer: David Mitchell SGN
6	Impacts & Other Considerations	6	 <a href="mailto:David.mitchell@sgn.co.uk">David.mitchell@sgn.co.uk</a>
7	Relevant Objectives	8	 07799 343 082
8	Implementation	8	Transporter: SGN
9	Legal Text	9	 <a href="mailto:David.mitchell@sgn.co.uk">David.mitchell@sgn.co.uk</a>
10	Consultation	9	 07799 343 082
11	Panel Discussions	9	Systems Provider: Xoserve
12	Recommendations	9	 <a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a>
13	Appended Representations	9	Other: Sally Hardman
			 <a href="mailto:sally.hardman@sgn.co.uk">sally.hardman@sgn.co.uk</a>
			 07970 019027

## Timetable

Modification timetable:	
Pre-Modification Discussed	25 November 2021
New Modification to be considered by Panel	16 December 2021
First Workgroup Meeting	07 January 2022
Workgroup Report to be presented to Panel	13 January 2022
Draft Modification Report issued for consultation	20 January 2022
Consultation Close-out for representations	11 February 2022
Final Modification Report available for Panel	14 February 2022
Modification Panel decision	17 February 2022

## 1 Summary

### What

This Modification seeks to change the existing arrangements set out within the UNC Offtake Arrangements Document (OAD) which describes the arrangement for calculating the Daily CVs for Distribution Network Operators (DNOs) charging areas (Local Distribution Zones or LDZs).

### Why

The arrangements in relation to National Grid NTS (NGG) calculation of the Daily Calorific Values (CVs) set out in UNC OAD ceased on the 01 April 2021 due to NGG's election to terminate its service to Distribution Network Operators (DNOs) by National Grid NTS (as provided for under OAD Section F4.1.2).

The changes set out in this Modification are required to ensure the obligations to provide the Daily Calorific Values (CVs) calculation are correctly reflected in the UNC OAD and to remove the redundant obligations on National Grid NTS.

### How

This Modification proposes to amend the UNC and any supporting documentation so that it reflects the changes to the provision of the Daily Calorific Value (CVs) Service from NGG to the Central Data Service Provider (CDSP) (Xoserve).

Where necessary changes will be made to UNC TPD Section C and OAD Section F in addition to the OAD Subsidiary Document - Offtake Communications Document.

## 2 Governance

### Justification for Self-Governance

This Modification is considered capable of proceeding under Self-Governance arrangements as it is unlikely to have a material effect on:

- on existing or future gas consumers
- competition
- the operation of pipe-line systems
- matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies;
- the Uniform Network Code governance procedures or the Network Code Modification procedures; and
- is unlikely to discriminate between different classes of parties to the Uniform Network Code/relevant gas transporters, gas shippers or DN operators.

Furthermore, this Modification demonstrates that industry parties are capable of utilising the industry-led self-regulatory approach to code governance in applying changes to existing process, without recourse to the Authority.

## Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- be assessed by a Workgroup.

The new process needs to be in place by the 1<sup>st</sup> April 2022, hence the timeline of this Modification has one month development time at Workgroup. We believe that this is an enabling Modification and is unlikely to take any longer.

The changes proposed within this Modification are a result of the notice of cessation of the Daily Calorific Values (CVs) Service by NGG.

Modification 0719R - Calculation of Energy Value of Gas review group attended by Transporters, Shippers and the CDSP undertook significant development and review of the existing obligations and processes with the proposed changes being high level changes to these obligations.

## 3 Why Change?

The driver of this change is the election by NGG that they are no longer in a position to provide the Daily CV calculation service. NGG provided the notification electing to terminate these arrangements providing the appropriate notice period as required UNC OAD Section F 4.1.2.

The effect of not implementing this change would retain UNC obligations and processes which are no longer applicable or required (and therefore redundant in the case of OAD Section F4).

For the avoidance of doubt:

It is proposed that the CDSP, acting on behalf of the DNOs will take over the provision of the new daily CV service in its entirety from National Grid NTS. For the avoidance of doubt, the CDSP will provide the service on an 'as is' basis and there are no proposed changes to:

- The daily CV calculation.
- Existing file formats / types / frequency and timing.
- Information provision e.g. frequency and timing of SC9 files to Shippers; publication on National Grid NTS MIPI, (Data Explorer), Gemini.

## 4 Code Specific Matters

### Reference Documents

For the avoidance of doubt, currently DNOs monitor, measure or have access to measurement data for the energy value of gas at input points into the distribution networks and provide this data to NGG to enable the calculation of Daily CVs (as an Interim Service arrangement ending on 31 March 2022) that are used for all energy settlements and for provision through to industry for billing purposes. Gas Transporters have specific obligations under The Gas (Calculation of Thermal Energy) Regulations to determine CVs for their specific charging areas. NGG uses the Daily CVs to calculate daily CV shrinkage, (in accordance with General Terms C3.3.3), energy balancing requirements and also uses the data once a year to calculate CO2 emission factors for their compressors (this is not required by The Gas (Calculation of Thermal Energy Regulations)). The information (CV, volume, and energy figures per LDZ) is currently published in NGG's Market Information Provision Initiative (MIPI) system and on the National Grid Data Item Explorer. In the interests of convenience

for Shippers and non-fragmentation of information, this information needs to continue to be published in a central easily accessible location, preferably together with other relevant information. This Modification does not propose to modify these specific arrangements.

NGG is also the only party that has access to information to establish the directional flow of the gas within the national gas transmission system and this information should be made available when necessary by the NGG to ensure Attribution Mapping is kept up to date.

As set out in OAD Section F1.2, Code Parties acknowledge that each DNO is required by the Gas (Calculation of Thermal Energy) Regulations 1996 to determine Daily CVs for Charging Areas (LDZ) within their respective networks. Whilst Section F4 reflected arrangements for NGG to determine Daily CVs on behalf of DNOs, Section F4.1.2 also provided NGG with the option to elect to discontinue the provision of Daily CVs by provision of six months' notice that it would discontinue those arrangements to determine Daily CVs on behalf of DNOs.

The regulations referred to above are the Gas (Calculation of Thermal Energy) Regulations 1996. These were issued in 1996 and amended in 1997, 2002 and 2015. Links are below:

[The Gas \(Calculation of Thermal Energy\) Regulations 1996](#)

[The Gas \(Calculation of Thermal Energy\) \(Amendment\) Regulations 1997](#)

[The Gas \(Calculation of Thermal Energy\) \(Amendment\) Regulations 2002](#)

[The Gas \(Calculation of Thermal Energy\) \(Amendment\) Regulations 2015](#)

UNC and OAD supporting documentation impacted by this modification are linked below:

[UNC TPD Section C \(Nominations\)](#)

[UNC OAD Section F \(Determination of Calorific Value\)](#)

[OAD Subsidiary Document - Offtake Communication Document](#)

## Knowledge/Skills

None.

## 5 Solution

As at the 31<sup>st</sup> March 2022 and following NGG's election to terminate the service provided under OAD Section F4 (from 1<sup>st</sup> April 2021) and the subsequent provision of a 12 month's interim service, NGG will no longer determine the Daily CVs on behalf of Distribution Network Operators for their respective charging areas.

The CDSP, going forward will determine the Daily CVs on behalf of Distribution Network Operators for their respective charging areas.

This Modification is required in order to facilitate the transition of the calculation of the Daily CV service from NGG to the DNOs who will procure this from the CDSP

As a consequence of this change, NGG will no longer receive the files from DNOs enabling the determination of the Daily CVs on behalf of the DNOs.

DNOs and NGG will provide relevant data to the CDSP to allow the determination of the DNOs Daily CVs for their respective charging areas. The CDSP will share the output of this process to DNOs to fulfil the existing obligations set out within UNC OAD Section F.

For the avoidance of doubt, the CDSP shall have no responsibility for the obtaining or determination of average calorific value or volume relating to particular input points and output point, or as to the correctness or accuracy of such data.

As a result of the change in service provider the following areas of UNC and OAD supporting documents will require amendment.

- UNC OAD Section F (Determination of Calorific Value)
  - The requirement to remove NGG as the provider of the calculation of the Daily Calorific Values (CVs) on behalf of DNOs.
  - Updating the new provider of the Daily Calorific Values (CVs) calculation.
  - NGG will provide information when necessary in relation to configuration changes within the national gas transmission system to support the Attribution Mapping process. If necessary NGG shall collaborate with the DNO's to ensure a suitable alternative Attribution Mapping is derived.
- UNC TPD Section C1.6 – CV Value
  - Changes required to address the reference from Transporter to DNO.
- OAD Related Document - Offtake Communication Document
  - OAD Clauses F in relation to the information currently exchanged between DNOs and National Grid NTS for the purposes of determining the Daily Calorific Values (CVs).

## 6 Impacts & Other Considerations

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

No, this Modification has no impact on current SCRs.

### Consumer Impacts

No consumer impacts identified as this Modification impacts communications between Transporters and the CDSP and has no impacts on other Code or non-Code parties.

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

None – this will continue.

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
Improved safety and reliability	None
Lower bills than would otherwise be the case	None
Reduced environmental damage	None

Improved quality of service	None
Benefits for society as a whole	None

### Cross-Code Impacts

None identified as this Modification only impacts UNC DNOs and the CDSP.

### EU Code Impacts

None identified.

Workgroup 7 January made no further comment.

### Central Systems Impacts

This Modification will require the inclusion of a new service provision by the CDSP (Xoserve) and will impact both UKLink and Gemini systems.

The CDSP have scoped and solutioned the new Daily CV calculation service via the Data Services Contract (DSC) Change Management Committee (ChMC) under change proposal XRN5231 – Provision of a FWACV Service [XRN5231 – Provision of a FWACV Service](#)

Additionally, there are consequential changes required for Gemini Systems which have been raised by National Grid NTS and included within the scope of XRN5231.

### Workgroup Impact Assessment

All Workgroup participants recognised that a fundamental design requirement of the solution was to ensure that the process to derive Calorific Values remained as similar to current with no impact to Users.

All Workgroup participants on 7 January agreed that there is no impact on the outputs that will be seen by Shippers (the SC9 file and the MIPI Data Item Explorer) – as outlined by the proposer in the section above on ‘Why Change’. Workgroup participants also acknowledged that there is further background information that has been discussed under Mod review 0719R.

[Request Workgroup Report 0719R v1.0 \(for Panel\\_Clean\).pdf \(gasgovernance.co.uk\)](#)

Workgroup participants debated and agreed the changes to the relationships between DNs, National Grid and the CDSP and how those changes should be reflected in the drafting of the solution.

### Rough Order of Magnitude (ROM) Assessment *(Cost estimate from CDSP)*

The relevant documents may be found here-

[www.xoserve.com/change/change-proposals/xrn-5231-provision-of-a-fwacv-service/](http://www.xoserve.com/change/change-proposals/xrn-5231-provision-of-a-fwacv-service/)

[www.xoserve.com/media/42756/revised-ber-for-xrn5231.pdf](http://www.xoserve.com/media/42756/revised-ber-for-xrn5231.pdf)

## 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.	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

Relevant Objective f) is furthered as not modifying UNC TPD Section C and OAD Section F to reflect the new arrangements would leave redundant provisions in the UNC setting out processes undertaken by a party which has given the requisite notice to discontinue performance of a Daily CV Calculation service, therefore the administration of the UNC would be positively impacted by the implementation of this UNC Modification.

#### Workgroup comments

A workgroup participant agreed that removal of redundant provisions is appropriate and better facilitates Relevant Objective f). A workgroup participant also noted that the UNC as amended by this modification will reflect the new arrangements and that the new service will be provided pursuant to the DSC.

## 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. However, implementation of this Modification and associated Legal Text should align with implementation of the associated DSC Change Proposal XRN5231.



## 9 Legal Text

Legal Text has been provided by SGN and is published alongside this report. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

## 10 Consultation

Panel invited representations from interested parties on 20 January 2022. All representations are encompassed within the Appended Representations section.

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
National Grid NTS	Support	f) positive
Scotland Gas Networks Ltd and Southern Gas Networks Ltd	Support	f) positive
Wales & West Utilities	Support	f) positive

Please note that late submitted representations will 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

## 12 Recommendations

### Panel Determination

Panel Members agreed that Modification 0793S **[should [not] be implemented.**

## 13 Appended Representations

Representation - National Grid NTS

Representation - Scotland Gas Networks Ltd and Southern Gas Networks Ltd

Representation - Wales & West Utilities

## Representation - Draft Modification Report UNC 0793S

### Determination of Charging Area CVs (Daily CVs) – Modification of Calculation Process Arrangements

Responses invited by: **5pm on 11 February 2022**

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>	Phil Lucas
<b>Organisation:</b>	National Grid NTS
<b>Date of Representation:</b>	11 <sup>th</sup> February 2022
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	f) Positive
<b>Relevant Charging Methodology Objective:</b>	Not Applicable

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

National Grid NTS ('National Grid') is in agreement with the proposer that coincident with the commencement of the new CDSP-provided CV derivation service, the proposed changes would reflect the means by which Distribution Network Operators fulfil their obligation to determine Daily Calorific Values (CVs) for their respective Charging Areas (LDZs) as required by the Gas (Calculation of Thermal Energy) Regulations 1996.

We concur that in doing so, the Relevant Objective of the promotion of efficiency in the implementation and administration of the Code is better facilitated. Specifically, the existing provisions in OAD Section F4 which contains terms which are now effectively redundant, would be revised appropriately.

#### Self-Governance Statement:

We agree that the extent of the proposed changes is not sufficiently material to require a decision being made by the Authority. On this basis we concur that application of self-governance procedures is appropriate.

#### Implementation:

We note that in terms of timing, the Solution section of the Draft Modification Report (Section 5) is predicated on conclusion of the National Grid-provided Interim Service on 31<sup>st</sup> March 2022. However, delays to delivery of the alternative solution by the CDSP has

resulted in DNs seeking an extension of that Interim Service which National Grid has agreed to provide for an additional short finite period.

Accordingly, as noted in the Section 8 of the Draft Modification Report, the implementation date for this Proposal will need to coincide with the revised conclusion of the Interim Service, currently expected at some point between the end of April 2022 and the end of September 2022.

### **Impacts and Costs:**

National Grid would not incur any analysis, development nor ongoing costs as a consequence of implementation.

### **Legal Text:**

#### **Proposed Changes to the TPD and the OAD**

We agree that the proposed changes to these sections of the UNC will deliver the intent of the Solution.

#### **Proposed Changes to the Offtake Communications Document (OCD)**

Section N1.2.1(b) of the OAD sets out that the OCD is an Offtake Subsidiary Document and Section N1.2.6 specifies that a change to an Offtake Subsidiary Document can only be made by a decision of the Offtake Committee (and not otherwise).

Given this, the changes proposed to the OCD cannot be delivered by this Proposal and alternatively require a supportive decision being made by the Offtake Committee.

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

Other than the points noted elsewhere in this representation (regarding implementation timing and the changes proposed to the Offtake Communications Document) we have not identified any further errors or omissions

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

None

## Representation - Draft Modification Report UNC 0793S

### Determination of Charging Area CVs (Daily CVs) – Modification of Calculation Process Arrangements

Responses invited by: **5pm on 11 February 2022**

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>	David Mitchell
<b>Organisation:</b>	Scotland Gas Networks Ltd and Southern Gas Networks Ltd
<b>Date of Representation:</b>	7 <sup>th</sup> February 2022
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	f) Positive
<b>Relevant Charging Methodology Objective:</b>	Not Applicable

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

SGN would like to offer its support for this modification. This modification will amend the UNC following the election by National Grid NTS (NGG) to terminate the provision of the Daily Calorific Value (CV) calculation service to the gas Distribution Network Operators (DNOs) under UNC OAD Section F effective from 01 April 2021. The existing interim service provision by NGG will cease on 30<sup>th</sup> June 2022.

The changes set out in this Modification are required to ensure the obligations to provide the Daily Calorific Values (CVs) calculation are correctly reflected in the UNC OAD. In future the Central Data Service Provider (CDSP) will determine the daily CV's on behalf of the DNO's for their respective charging areas. Both the DNO's and NGG will provide the relevant data to the CDSP to allow them to facilitate the service, the CDSP will share the output of this process to those parties that currently require the data.

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

We believe that this modification fulfils the self-governance criteria as it is unlikely to impact consumers or competition in the market.

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

This modification could be implementation sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised. Implementation of this

Modification and associated Legal Text should align with implementation of the associated DSC Change Proposal XRN5231.

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

SGN will experience costs in relation to the development of this modification solution as well as enduring costs to deliver the service which can be found in XRN5231

<https://www.xoserve.com/change/change-proposals/xrn-5231-provision-of-a-fwacv-service/>

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

As legal text provider we are satisfied that the legal text fulfils that intent of the modification solution.

**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.*

This change will require approval from the Offtake Communications Committee in respect of updates to the Offtakes Communications Document.

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

N/A

## Representation - Draft Modification Report UNC 0793S

### Determination of Charging Area CVs (Daily CVs) – Modification of Calculation Process Arrangements

Responses invited by: **5pm on 11 February 2022**

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>	11.2.22
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	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.

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

We believe that this modification fulfils the self-governance criteria as it is unlikely to impact consumers or competition in the market as a design criteria for the service provision by Xoserve was not to affect other parties.

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

The implementation date will be determined by the start of service provision by Xoserve.

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

WWU will experience costs in implementing the new Xoserve service in Change Proposal XRN5231.

[XRN 5231 | Xoserve](#)

**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