

Dear Colleague,

**Teleconference Agenda:** Pre-Modification Panel Briefing  
**Documentation at:** [www.gasgovernance.co.uk/panel/190215](http://www.gasgovernance.co.uk/panel/190215)  
**Teleconference details:** 0207 950 1251, access code 21870295#

Please note that we will be hosting a pre-Modification Panel briefing by teleconference starting at 13:00 on Monday 16 February 2015. Discussions will be based on the Modification Panel agenda ([www.gasgovernance.co.uk/panel/190215](http://www.gasgovernance.co.uk/panel/190215)).

This pre-Panel briefing is intended to provide, in particular, an opportunity for smaller parties, including customer representatives as well as smaller Shippers and Suppliers, an opportunity to feed views into the modification process at critical stages. We therefore expect to focus on new Modifications and those on which the Panel will debate whether or not implementation is supported. Similar teleconferences are held on the Monday prior to each monthly Modification Panel meeting (third Thursday of the month). Any views on which information would be most helpful to you, or on the time and format of the teleconference, would be welcome.

Modifications that are on this month's Panel agenda are:

### ***New Modifications***

#### **Modification 0523 – Supply Point Registration – Facilitation of ‘faster switching’ for Shared Supply Meter Points**

Proposed by National Grid Distribution

This modification seeks to build on Modification 0477, Supply Point Registration - Facilitation of Faster Switching, which was implemented on 07 November 2014, enabling ‘faster switching’ to take place for all Supply Point categories with the exception of Shared Supply Meter Points (SSMPs). Workgroup 0477 excluded SSMPs from the scope of Modification 0477 as the Shipper User transfer process is dealt with manually under the ‘unique sites’ procedures. Now that the systems requirements and impacts for SSMPs are understood, it is timely that this modification be progressed which would bring the Shipper User transfer timescales for SSMPs in line with all other Supply Points.

The Proposer is seeking self-governance status for this modification, believing that it is not a material change due to the low numbers of Supply Points affected.

<http://www.gasgovernance.co.uk/0523>

#### **Modification 0524 - Enabling the Use of Pre Nexus Meter Reads for the purposes of Post Nexus Rolling AQ Calculation**

Proposed by Gazprom Energy – modification proposal withdrawn on 11 February 2015

<http://www.gasgovernance.co.uk/0524>

## **Modification 0525 - Enabling EU Compliant Interconnection Agreements**

Proposed by National Grid NTS

This modification proposes a number of changes to enable compliance with the new European Network Code on Interoperability and Data Exchange, most significantly to establish industry consultation and suitable governance for Interconnection Agreements (IAs). It also addresses existing arrangements for User Agents that are no longer required at Interconnection Points under the new allocation arrangements introduced by Modification 0510: Reform of Gas Allocation Regime at GB Interconnection Points.

The Proposer is not seeking self-governance status for this modification.

<http://www.gasgovernance.co.uk/0525>

## **Modification 0526 – Identification of Supply Meter Point pressure tier**

Proposed by Eon

Shippers, Suppliers and Meter Asset Managers have a need to understand the pressure tier at a given meter point so that appropriately skilled staff can be deployed to carry out any work on it. This modification proposes to improve the current procedure, initially (prior to the availability of Nexus system functionality) by requiring transporters to publish an electronic list of the relevant pressure tier. Once the system functionality is available, the population of a field in Nexus would replace this.

The Proposer is not seeking self-governance status for this modification.

<http://www.gasgovernance.co.uk/0526>

## **Modification 0527 – Implementation of Annual Quantity arrangements (Project Nexus transitional modification)**

Proposed by National Grid Distribution

This modification proposes transitional arrangements (ie they will fall away once Nexus is implemented) to clarify a backstop meter reading definition that is used in the derivation of the Annual Quantity for cutover to Nexus.

The Proposer is not seeking self-governance status for this modification.

<http://www.gasgovernance.co.uk/0527>

## **Modification 0528 - Implementation of Supply Point Administration, gas allocation and settlement arrangements (Project Nexus transitional modification)**

Proposed by National Grid Distribution

This modification proposes transitional arrangements to address the transition of data between the existing and new regimes. In addition, a number of cutover-related changes are identified.

The Proposer is not seeking self-governance status for this modification.

<http://www.gasgovernance.co.uk/0528>

### **Modification 0529 – Implementation of Retrospective Adjustment arrangements (Project Nexus transitional modification)**

Proposed by National Grid Distribution

This modification proposes transitional arrangements to identify the terms under which a Shipper may request retrospective adjustments (as implemented by 0434 Project Nexus – Retrospective Adjustment) in the period immediately following implementation of Nexus and relating to the data in the current regime.

The Proposer is not seeking self-governance status for this modification.

<http://www.gasgovernance.co.uk/0529>

### **Modification 0530 – Use of Supply Point Register Data for Project Nexus ‘Market Trials’ Testing Phase**

Proposed by National Grid Distribution

This modification proposes transitional arrangements to utilise limited supply point data within the market trials so that testing is more effective and results are more predictable. It is believed this could reduce erroneous or unexpected results with a consequential reduction in rework.

The Proposer is not seeking self-governance status for this modification.

<http://www.gasgovernance.co.uk/0530>

### **Modification 0531 – Provision and Development of Industry Testing Prior to Nexus Go-Live**

Proposed by SSE

This modification proposes transitional arrangements to require transporters to provide a test regime intended to facilitate and control appropriate testing for both Shippers and transporters, enabling parties to assure themselves that their systems are fit for purpose ahead of the implementation of Nexus.

The Proposer is not seeking self-governance status for this modification.

<http://www.gasgovernance.co.uk/0531>

## ***Implementation Recommendations***

### **Modifications 0466 / 0466AV – Daily Meter Reading Simplification (with improved within day data provision)**

By way of a recap, 0466 proposes to relax existing obligations on shippers and transporters to use/provide a ‘bundled’ service for Daily Meter Reading. 0466A proposed to retain the transporter’s existing obligation to provide within-day data for Daily Read

customers, with the information being provided using a secure method.

Following its Consultation phase, this Final Modification Report was originally considered by Panel in November 2014 and, after voting on the implementation of 0466, Panel subsequently determined to return the report to Workgroup for clarification because of concerns raised about the treatment of telemetered sites in 0466A.

In that Consultation:

0466: of the 11 representations received 6 supported implementation and 5 were not in support.

0466A: of the 11 representations received 5 supported implementation, 1 offered qualified support, 1 provided comments and 4 were not in support.

Of the 11 representations received 6 expressed a preference for 0466 and 5 expressed a preference for 0466A.

In November 2014, Panel voted not to recommend implementation of 0466.

Subsequently, following the requested consideration of the Solution described in 0466A, its proposer, Wingas, submitted a Variation Request to clarify that telemetered sites were not in scope. The modification now becomes 0466AV and Panel will be asked if the Variation is material; if so, Panel will be asked whether further consideration is required by the Workgroup, or whether further consultation is appropriate.

Otherwise, if not considered to be material, 0466AV will continue from the same point its predecessor was at and an implementation vote held. In this event, Panel will be asked which of the two alternates they think better facilitates the Relevant Objectives.

### **Modifications 0501, 0501A, 0501B, 0501C – Treatment of Existing Entry Capacity Rights at the Bacton ASEP to comply with EU Capacity Regulations**

0501 – Treatment of existing Entry Capacity Rights at the Bacton ASEP

0501A – including capacity return option

0501B – including a restricted capacity return option

0501C – including a capped capacity return option and an aggregate overrun regime

This modification proposes to ensure that EU CAM/CMP procedures are only applied at Interconnection Points (IPs). The existing Bacton Aggregated System Entry Point (ASEP) will need to be split into two new ASEPs: Bacton UKCS ASEP and Bacton IP ASEP.

The following table summarises the process differences of each version:

<b>Process introduced</b>	<b>0501</b>	<b>0501A</b>	<b>0501B</b>	<b>0501C</b>
Meets compliance requirements for CAM code	✓	✓	✓	✓
One off process to allow Users to allocate existing Capacity on a Quarterly basis from 01 October 2016 to 30 September 2031 between Bacton UKCS and Bacton IP ASEPs - based on Users original capacity booking.	✓	✓	✓	✓
One off process to allow Users to allocate existing Capacity on a Monthly basis from 01 November 2015 to 30 September 2016 between Bacton UKCS and Bacton IP ASEPs - based on Users original capacity booking.	✓	✓	✓	✓
One off process allows Users to return Capacity on a Quarterly basis between October 2016 and September 2031. The User then allocates residual capacity between Bacton UKCS and Bacton IP ASEPs		✓		✓
One off process allows Users to return capacity on a monthly basis between November 2015 and September 2016. The User then allocates residual capacity between Bacton UKCS and Bacton IP ASEPs		✓		✓
Users will have an opportunity to return NTS Entry Capacity to the extent that the allocation at either one of Bacton UKCS or Bacton IP ASEP exceeds the allocation that the User requested following the Bacton Capacity Final Reallocation Invitation.		✓	✓	✓
Introduces an aggregate overrun regime for Residual Capacity holders to enable them to flexibly flow through either Bacton UKCS or Bacton IP ASEP so that it mirrors current flexibility.				✓
Introduces a rebate, where a User purchases a bundled Bacton IP ASEP product to use unutilised residual capacity, for the NTS Entry Capacity Charge embedded within the bundled Bacton IP ASEP				✓
Long term processes and systems required				✓

The consultation for this modification closes on 12 February to allow the maximum time for respondents to provide views and evidence.

Panel members will be asked whether consultation responses have raised any new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend implementation. They will also be asked which of the four alternates they think better facilitates the Relevant Objectives

<http://www.gasgovernance.co.uk/0501>

## **Self Governance**

For each of the following modifications Panel members will be asked whether consultation responses have raised any new relevant issues that should be assessed by the Workgroup or, if not, whether it should be implemented.

### **Modification 0479S – Inclusion of email as a valid UNC communication**

This modification proposes to allow e-mail as a valid communication notice alongside post and facsimile.

Of the 9 representations received, 5 supported implementation, 2 offered qualified support, 1 did not express a view and 1 was not in support. Respondents generally agreed that some use of email communication was appropriate, but there was some level of concern expressed about the level of controls introduced by this modification.

<http://www.gasgovernance.co.uk/0479>

*Note: In December 2014, Panel voted to decouple the Alternate Modification 0479A from 0479S; this has now been allotted reference 0522 and its Workgroup is due to report to Panel by March 2015.*

### **Modification 0512S – Amendment to Section M to be consistent with Faster Switching Proposals**

This modification proposes to correct an error introduced into code by Modification 0477 Faster Switching, ensuring that relevant meter information is not sent to a proposing User until the Objection Deadline.

Of the 6 representations received, implementation was unanimously supported; respondents generally agreed with the Proposer that this modification would better implement the intent of 0477, furthering Relevant Objective f): promotion of efficiency in implementation and administration of the Code

<http://www.gasgovernance.co.uk/0512>

### **Modification 0515S – Resolution timescales for SRVs and USRVs following Project Nexus Implementation**

This modification proposes to ensure resolution of Suppressed Reconciliation Values and User-Suppressed Reconciliation Values, which are redundant under Project Nexus arrangements, within 12 months of the implementation date.

Of the 7 representations received, implementation was unanimously supported; respondents generally agreed with the Proposer that this modification would lead to effective resolution of SRVs and USRVs, furthering Relevant Objective f): promotion of efficiency in implementation and administration of the Code.

<http://www.gasgovernance.co.uk/0515>

I hope this summary is helpful.

Regards,

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UNC related documents can be accessed via our website:  
[www.gasgovernance.co.uk](http://www.gasgovernance.co.uk)