

CODE MODIFICATION PROPOSAL No xxxx
Continuation of CV determination by NG NTS on behalf of DNOs
Version 0.1

Date: 06/10/2010

Proposed Implementation Date:

Urgency: Non Urgent

1 The Modification Proposal

a) Nature and Purpose of this Proposal

In accordance with part 4A of the Gas (Calculation of Thermal Energy) Regulations, each Distribution Gas Network Operator (DNO) has the responsibility of obtaining and determining the daily average flow weighted calorific value of the gas transported within its charging area. At the time of network separation this activity remained with National Grid Gas Transmission (NGT). The basis on which daily calorific values (CVs) will be determined on behalf of each DNO is detailed in the Offtake Arrangement Document Section F. The arrangement for NGT to continue to undertake this activity had an expiry date of 31st March 2007. At this point NGT agreed to continue the service and the purpose of this Modification Proposal is to facilitate the continuation of that service provision.

b) Justification for Urgency and recommendation on the procedure and timetable to be followed (if applicable)

N/A

c) Recommendation on whether this Proposal should proceed to the review procedures, the Development Phase, the Consultation Phase or be referred to a Workstream for discussion.

The proposal for NGT to continue determining CVs on behalf of DNOs has been tabled and agreed at the Offtake Arrangements Workstream. As such, the Proposer considers that it is now in a suitable form to proceed to consultation process

2 User Pays

a) Classification of the Proposal as User Pays or not and justification for classification

This Proposal is not classified as User Pays.

b) Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification

N/A

c) Proposed charge(s) for application of Users Pays charges to Shippers

N/A

d) Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from xoserve

N/A

3 Extent to which implementation of this Modification Proposal would better facilitate the achievement (for the purposes of each Transporter's Licence) of the Relevant Objectives

National Grid Distribution believes that this proposal is consistent with the promotion of the following relevant objectives:-

A11.1 (f) so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code.

The use of a single source provider for the determination of daily cv offers some efficiency advantages versus each DNO undertaking the process in isolation and whilst facilitating the continuation of the existing service, NGT may extract itself from the obligation with six months notice and DNOs may take on the activity themselves or appoint another service provider with six month notice.

4 The implications of implementing this Modification Proposal on security of supply, operation of the Total System and industry fragmentation

No negative implications have been identified.

5 The implications for Transporters and each Transporter of implementing this Modification Proposal, including:

a) The implications for operation of the System:

No impact on the operation of the System.

b) The development and capital cost and operating cost implications:

No such implications have been identified.

c) Whether it is appropriate to recover all or any of the costs and, if so, a proposal for the most appropriate way for these costs to be recovered:

No cost recovery is proposed.

d) The consequence (if any) on the level of contractual risk of each Transporter under the Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal

No such consequences identified.

- 6 The extent to which the implementation is required to enable each Transporter to facilitate compliance with a safety notice from the Health and Safety Executive pursuant to Standard Condition A11 (14) (Transporters Only)**

N/A

- 7 The development implications and other implications for the UK Link System of the Transporter, related computer systems of each Transporter and related computer systems of Users**

N/A

- 8 The implications for Users of implementing the Modification Proposal, including:**

- a) The administrative and operational implications (including impact upon manual processes and procedures)**

There are no implications for Users.

- b) The development and capital cost and operating cost implications**

None

- c) The consequence (if any) on the level of contractual risk of Users under the Uniform Network Code of the Individual Network Codes proposed to be modified by this Modification Proposal**

No risks for Users identified.

- 9 The implications of the implementation for other relevant persons (including, but without limitation, Users, Connected System Operators, Consumers, Terminal Operators, Storage Operators, Suppliers and producers and, to the extent not so otherwise addressed, any Non-Code Party)**

No such implications identified.

- 10 Consequences on the legislative and regulatory obligations and contractual relationships of the Transporters**

This proposal will facilitate a continuation of mutually acceptable existing arrangements.

- 11 Analysis of any advantages or disadvantages of implementation of the Modification Proposal not otherwise identified in paragraphs 2 to 10 above**

Advantages

Facilitates the continuation of the existing mutually acceptable arrangements.

Disadvantages

None.

12 Summary of representations received as a result of consultation by the Proposer (to the extent that the import of those representations are not reflected elsewhere in this Proposal)

13 Detail of all other representations received and considered by the Proposer

14 Any other matter the Proposer considers needs to be addressed

None.

15 Recommendations on the time scale for the implementation of the whole or any part of this Modification Proposal

Implementation of this proposal can be effective immediately following approval.

16 Comments on Suggested Text

17 Suggested Text

Code Concerned, sections and paragraphs

Uniform Network Code Offtake Arrangements Document Section F.

Transportation Principal Document OAD Section F.

Section(s)

Proposer's Representative

Alan Raper, National Grid Distribution

Proposer

National Grid Gas Distribution