

Dear Colleague,

Teleconference Agenda: Pre-Modification Panel Briefing
Documentation at: www.gasgovernance.co.uk/panel/170915
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 **Friday 11 September 2015**. Discussions will be based on the Modification Panel agenda (www.gasgovernance.co.uk/panel/170915).

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 0554 – Gender-neutral terms within the UNC

Proposed by Scotia Gas Networks

This modification proposes to ensure that the UNC is gender-neutral by amending the term 'Chairman' to 'Chairperson' within three key sections of Code; the Modification Rules, Offtake Arrangements Document and General Terms Section B.

The Proposer is seeking fast-track self-governance status for this housekeeping modification.

<http://www.gasgovernance.co.uk/0554>

Request 0555 – Review of the Market Operator (OCM) Provision

Proposed by National Grid NTS

This Request* proposes to understand and develop stakeholder views on the issues highlighted in Ofgem's open letter of 12 June 2015** on the Market Operator (OCM – On-the-day Commodity Market). A workgroup report will be produced for Panel and, subsequently, National Grid will report to Ofgem.

* **Requests** are a rarely used section of Code's Modification Rules that allows parties to ask Panel to establish a workgroup to evaluate any Code-related matter. The output will be a report plus potentially any suggested modifications (which would need to be assessed outside of the Request process as per any other proposal).

** <https://www.ofgem.gov.uk/publications-and-updates/letter-national-grid-gas-market-operator-arrangements>

<http://www.gasgovernance.co.uk/0555>

Modification 0556 – Amendment to the Legal Text provided for “Modification 0548 Project Nexus – deferral of Implementation Date”

Proposed by National Grid Distribution

This modification proposes to correct reference and numbering errors and enable the insertion of Legal Text into the UNC Transition Document in accordance with the original intent of Modification 0548.

The Proposer is seeking fast-track self-governance status for this housekeeping modification.

<http://www.gasgovernance.co.uk/0556>

Modification 0557 – Notice Period for Changes to Transportation Charges resulting from Uncertain costs allowed expenditure - financial adjustments

Proposed by Eon

This modification proposes to introduce a notice period for changes to Transportation Charges related to “Uncertain costs allowed expenditure” to allow a clear formula year (after Ofgem approval of any such amended revenue) before charges are changed. It is believed this will improve shippers’ ability to price future contracts with lower risk premiums relating to unknown costs, ultimately to the benefit of consumers.

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

<http://www.gasgovernance.co.uk/0557>

Modification 0558 – Standardisation of Industry Payment Terms

Proposed by npower

This modification proposes to standardise existing 12- and 20-days payment terms described in UNC TPD Section S to 30-days, which is said to be consistent with many industry norms.

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

<http://www.gasgovernance.co.uk/0558>

Implementation Recommendations

All of the modifications due for consideration in this section of the Panel agenda are still out for consultation, closing on Thursday 10 September. An update will be provided on the call on Friday.

Modification 0528V – Implementation of Supply Point Administration, gas allocation and settlement arrangements

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.

In the original 0528 consultation 5 representations were received; 3 supported implementation, 1 provided comments and 1 was not in support. Respondents agreed with the intent of the proposal, but opinions differed about whether there was sufficient detail included. Panel returned the modification to the workgroup to consider the issues raised, resulting in a Variation Request to clarify a document reference and to define a further UNC-related document.

Panel members will be asked whether consultation responses have raised any further new relevant issues that should be assessed by the Workgroup or, if not, whether they recommend implementation.

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

Self Governance

Modification 0534S – Maintaining the Efficacy of the NTS Optional Commodity (“shorthaul”) Tariff at Bacton Entry Points

To comply with the EU Capacity Allocation Mechanism, the Bacton Aggregated System Entry Point has been split into UKCS and EU Interconnection Points as defined by Modification 0501V. Modification 0534S seeks to retain the single ASEP principle at Bacton for Shorthaul tariff purposes only, as the Proposer believes that the split introduces an unintended effect by potentially restricting the quantity of gas that can be shipped to a given Exit point.

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 the modification should be implemented.

<http://www.gasgovernance.co.uk/0534>

Modification 0546S - Reduction of the Minimum Eligible Quantity (100,000kWh) for European IP capacity

This modification proposes to reduce the minimum eligible quantity applicable for capacity bids and surrender offers at Interconnection Points (IPs) to 1 kWh. This is particularly relevant at the Moffat IP due to some characteristics of the Irish networks.

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 the modification should be implemented.

<http://www.gasgovernance.co.uk/0546>

Modification 0547S - Corrections to the EID arising from implementation of Modifications 0493/0500

This modification proposes to make amendments to the legal text for the European Interconnection Document (EID) introduced following the implementation of Modifications 0493 and 0500. It is required to correct typographical errors, provide additional clarification and enhancements and to correct/add/delete references.

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 the modification should be implemented.

<http://www.gasgovernance.co.uk/0547>

Modification 0552S - UNC Section Y Housekeeping

Following an ad-hoc review of Section Y, a number of minor errors and incorrect terms were identified. This modification proposes to provide additional clarification to several points, update references and resolve minor errors.

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 the modification should be implemented.

<http://www.gasgovernance.co.uk/0552>

I hope this summary is helpful.

Regards,

Les Jenkins
Joint Office of Gas Transporters
Tel: 0121 288 2107
Email: enquiries@gasgovernance.co.uk

UNC related documents can be accessed via our website:

www.gasgovernance.co.uk