

0497:

Removal of the CSEP NExA table held within Annex A part 8



To remove the CSEP NExA table held within Annex A part 8 and refer to the AQ table contained within the relevant Ancillary Document set out in the iGT UNC



Responses invited by 19 September 2014.



High Impact: -



Medium Impact: Users (Shippers) and iGTs



Low Impact: Large Transporters

Contents

1	Summary	3
2	Why Change?	4
3	Solution	5
4	Relevant Objectives	6
5	Implementation	7
6	Legal Text	7
7	Recommendation	7

About this document:

This Draft Modification Report is issued for consultation responses, at the request of the Panel on 21 August 2014. All parties are invited to consider whether they wish to submit views regarding this modification.

The close-out date for responses is 19 September 2014, which should be sent to enquiries@gasgovernance.co.uk. A response template, which you may wish to use, is at www.gasgovernance.co.uk/0497.

The Panel will consider the responses and agree whether or not this modification should be made.



Any questions?

Contact:

Code Administrator



enquiries@gasgovernance.co.uk



0121 288 2107

Proposer:

Amie Charalambous
RWE npower



amie.charalambous@npower.com



07917271763

Transporter:

Chris Warner



chris.warner@nationalgrid.com



01926 653541

Systems Provider:

Xoserve



commercial.enquiries@xoserve.com

Additional contacts:

Ed Hunter



edward.hunter@npower.com



0121 336 5260

0497

Draft Modification Report

21 August 2014

Version 1.0

Page 2 of 7

© 2014 all rights reserved

1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is not a self-governance modification because it is likely to have material effect on competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes.

Why Change?

Currently, AQ values contained within the CSEP NExA table are fixed and as such do not get updated on a yearly basis in line with the AQ review, therefore AQ values can quickly become outdated. With the continued energy efficiency measures the domestic market has undertaken and the general demand reduction measures consumers are applying, it is now appropriate that not only should the CSEP NExA table be reviewed in accordance with iGT 051 ANC - amendment of iGT AQ Review Procedures Document, but also updated annually.

Implementation of iGT 053 allows for an annual update of the CSEP NExA. It now seems appropriate to introduce a process whereby the amended values provided in this process are reflected in the CSEP NExA as soon as they are published by the iGTs

Solution

Following on from the work carried out at the iGT 053 development workgroup, the general consensus between iGTs and Shippers is that Annex A, Part 8 of the CSEP NExA should be amended on an annual basis to reflect the latest values of the AQ table published by the iGT's.

The purpose of this modification point the CSEP NExA to the most up to date version of the AQ table published by the iGT's, and delete the AQ table published in the Annex A Part 8 of the CSEP.

Relevant Objectives

f) Promotion of efficiency in the implementation and administration of the code

Implementation of this change will improve the efficiency of the implementation and administration of the code.

Implementation

Although no Implementation timescales are proposed, it is anticipated any decisions made regarding an implementation date, will need to be in line with iGT053 but no later than 26th June 2015.

2 Why Change?

The AQ values used in the CSEP NExA table are fixed and although they are reviewed they are not updated on a yearly basis in line with the yearly AQ review, therefore the AQ values can quickly become out-dated and out of step with those published by iGTs. On January 20th 2012, the Authority decided that Modifications UNC392 and iGT040V to amend the AQ values in the CSEP NExA table be implemented, this resulted in a downward revision of the AQ values, calculated based on included data from the 2010 AQ Review.

With the continued energy efficiency measures the domestic market has undertaken and the general demand reduction measures consumers are applying, It is now appropriate that, not only should the CSEP NExA table to be reviewed in accordance with iGT 051 ANC - amendment of iGT AQ Review Procedures Document, but also updated annually when the iGT table is, in line with iGT 053.

With the implementation of the SMART metering rollout over the next 6/7 years, consumers will become savvier in the way they consume energy and usage patterns are expected to alter as a result. By reflecting the view of the latest tables the AQ values will be more accurate, taking into account customer behaviour whilst they adapt to SMART, and other incentives.

3 Solution

Following on from the work carried out at the iGT 053 development workgroup, the general consensus between iGTs and Shippers is that Annex A, Part 8 of the CSEP NExA should be amended on an annual basis to reflect the latest values of the AQ table published by the iGT's.

The purpose of this modification is to point the CSEP NExA to the most up to date version of the AQ table published by the iGT's, and delete the AQ table published in the Annex A Part 8 of the CSEP.

Amendment is required to Annex A Part 8 of the LDZ CSEP NExA remove the existing AQ table and introduce relevant terms to Part 1 which have the effect of applying the AQ table contained within the relevant Ancillary Document set out in the iGT UNC.

Costs

User Pays
Classification of the modification as User Pays, or not, and the justification for such classification.
This Proposal is not User Pays because no user pays service is created or amended, and no Transporter Agency costs are anticipated as a result of implementation.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.
N/A
Proposed charge(s) for application of User Pays charges to Shippers.
N/A
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.
N/A

4 Relevant Objectives

Impact of the modification on the 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

f) Promotion of efficiency in the implementation and administration of the Code

Removing the need to review and update the AQ table published in Part 8, Annex A of the CSEP NExA to reflect the most current values, will remove the need to raise a modification to change the table as the as the CSEP NExA will point to the most current version published by iGT's and therefore further the relevant objective f) Promotion of the efficiency in the implementation and administration of the Code.

5 Implementation

Although no Implementation timescales are proposed, it is anticipated any decisions made regarding an implementation date, will need to be in line with iGT053 but no later than 26th June 2015.

6 Legal Text

National Grid Distribution has confirmed that UNC Legal Text is not required for this modification as there is no amendment to the UNC.

7 Recommendation

The Panel have recommended that this report is issued to consultation and all parties should consider whether they wish to submit views regarding this modification.