

Stage 01: Modification

0XXX: (Joint Office to insert number)

Amendment to LDZ CSEP NExA Annex A to support iGT Single Service Provision

At what stage is this document in the process?

- 01 Modification
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

This modification seeks to place an obligation on the independent Gas Transporters to participate in the preparation of iGT data to enable the iGT Single Service Provision envisaged by Modification 0440 Project Nexus - iGT Single Service Provision, to be effective.

The Proposer recommends that this modification should be (delete as appropriate):



- subject to self-governance
- assessed by a workgroup



High Impact:
Insert name(s) of impact



Medium Impact: iGTs, Gas Shippers
Insert name(s) of impact



Low Impact:
Insert name(s) of impact

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About this document:

This modification will be presented by the proposer to the panel on xx xxx 2013.

The panel will consider the proposer's recommendation, and agree whether this modification should be subject to self-governance; and whether it should be referred to a workgroup for assessment.

Guidance On The Use Of This Template:

This is a modification template that the Proposer is asked to complete. All parts other than the Solution (which is "owned" by the Proposer) will be refined by the workgroup process. A separate checklist is also available to help identify impacts that, if material, should be recorded in this template.

As Ofgem is currently conducting a Significant Code Review (SCR), a modification may not be proposed if the subject matter relates to the SCR, unless Ofgem directs otherwise. Please do not, therefore, raise modifications that relate to the SCR.

If the impact of the modification on greenhouse gas emissions is likely to be material, please assess the quantifiable impact in accordance with the Carbon Costs Guidance (published by Ofgem).

The Joint Office is available to help and support the drafting of any modifications, including guidance on completion of this template and the wider modification process. Contact: enquiries@gasgovernance.co.uk or 0121 623 2115.

Please contact Xoserve when drafting any modification that impacts central systems. They will be available to help and support the drafting of any modifications that impact central systems, including guidance on potential system impacts and the drafting of business rules, which reflect system capabilities. Contact: commercial.enquiries@xoserve.com.



Any questions?

Contact:
Code Administrator

 enquiries@gasgovernance.co.uk

 0121 288 2107

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1 Summary

The following **summary** should be completed in **plain English**, and should be as **brief** as possible. A more detailed exposition should be provided in the following sections.

Is this a Self-Governance Modification?

Clearly state if self-governance does or does not apply and why.

This modification is proposed as self governance.

This modification seeks to place an obligation on each iGT to participate in a data preparation activity which is required to support Modification 0440 Project Nexus – Single Service Provision.

Modification 0440 is subject to approval by Ofgem, this Modification to amend to the LDZ CSEP NExA Annex A does not itself impact competition between market participants.

Why Change?

Concisely explain why the change is proposed i.e. the defect in the code that is to be addressed.

The delivery of the systems to support Modification 0440 is dependent upon data from iGTs. Amending the LDZ CSEP NExA Annex A will create an obligation on the iGTs to participate the data preparation activity required for the UK Link systems implementation of Modification 0440 services.

Solution

Concisely explain the modification that is proposed to address the identified defect.

Amendment to LDZ CSEP NExA Annex A.

Relevant Objectives

Concisely state the impact the modification will have on the relevant objectives. Indicate an estimate of likely implementation costs (if known).

Insert text here

Implementation

The Xoserve implementation costs of this Modification are in the range of £400,000 - £900,000.

To enable iGTs and Xoserve to develop the systems and file interfaces in a suitable timeframe for the data preparation activity a decision on this Modification is desirable by January 2014.

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2 Why Change?

Set out **why** modification of the code is proposed – i.e. what is the defect in the existing code that has been identified and needs to be rectified. This may be either an issue with an existing code provision or an issue on which the UNC is silent but should not be.

Insert subheading here

The delivery of the systems to support Modification 0440 is dependent upon data from iGTs. Amending the LDZ CSEP NExA Annex A will create an obligation on the iGTs to participate the data preparation activity required for the UK Link systems implementation of Modification 0440 services.

Creating this obligation will mean that the data preparation exercise (on which Modification 0440 is dependent) will be completed in the required timescales.

3 Solution

Set out in detail the UNC changes that are proposed – **what**, not why. This section is “owned” by the proposer and will not be altered by the workgroup and so should set out the change you, as proposer, wish to see made – which you can amend later to take into account issues raised by a workgroup. This is also the section that lawyers will use to draft the legal text that changes the UNC. It should therefore be in sufficient detail to act as legal instructions and support the drafting of text. In general, the provision of business rules is recommended.

Insert subheading here

The solution is to add a Part 13 to the LDZ CSEP NExA Annex A detailing the obligation to participate in the data preparation exercise.

User Pays

Classification of the modification as User Pays, or not, and the justification for such classification.

This is a User Pays modification. This Modification will lead to an activity that requires funding but is not funded by the GTs

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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.

Shippers will be the beneficiaries of the service. 100% of service costs to be charged to Shippers

Proposed charge(s) for application of User Pays charges to Shippers.

The charging basis is as follows:

In proportion to each Shippers market share of iGT Supply Points as measured on the date of implementation.

Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

To be determined. Within the range £400,000 to £900,000

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.	Positive/Negative/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.	Positive/Negative/None
c) Efficient discharge of the licensee's obligations.	Positive/Negative/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.	Positive/Negative/None

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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.	Positive/Negative/None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive/Negative/None
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.	Positive/Negative/None

The following paragraphs should explain in detail **how** each of the impacts identified above would arise and **how** this impacts the relevant objective identified.

Insert subheading here

Insert text here

5 Implementation

As far as they are known, the anticipated implementation costs for all parties (Transporters, Shippers, central systems, customers) should be provided.

Provide any views you have on implementation timescales, including the costs and benefits of a range of implementation options where appropriate.

If a suggested implementation date is not provided and the decision is to accept the modification, then the Transporters will set the implementation date.

*If a timescale for implementation is proposed, the format explained below **must** be used, and brief reasons provided for each suggested date.*

- *At least two fixed implementation dates must be specified, and for each of these the latest date by which an implementation decision is required if the date is to apply: e.g. 01 June 2012 if a decision to implement is issued by 15 May 2012; 01 September 2012 if a decision to implement is received by 06 August 2012.*
- *In addition, a backstop lead time must be specified to allow for any later decision date: e.g. if a decision to implement is received after 06 August 2012, implementation 21 business days following the decision to implement.*

6 Legal Text

While the Proposer is welcome to put forward suggested legal text, text will be provided by the Transporters when requested by the Modification Panel.

Insert text here

The following is an idea of how the legal text might be presented:

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7 Recommendation

If it is recommended that the modification is issued to directly to consultation, the Proposer should provide a justification. If workgroup assessment is recommended, the proposer may outline a recommended timetable and indicate any particular areas that a workgroup is asked to consider.

The Proposer invites the Panel to:

- Determine that this modification should be subject to self-governance;
- Determine that this modification should progress to Workgroup assessment.