Legal text commentary for Mod 506

V 5.5.3 (k) Inserted to allow disclosure to the PAFA if the appointed PAFA is not Xoserve and implements Business Rule 9

16.1.1 (a) From the point at which Mod 440 comes into effect, the performance of DNOs' and shippers' obligations under the UNC with respect to CSEP Meter Points/Supply Points will have an impact on LDZ settlement, and will fall within the PAF Regime. Until that point Shippers obligations under Section J and the relevant CSEP NExAs will fall within scope.

16.1.1 (a) Specifically excludes NTS related activities, for the avoidance of doubt.

16.1.1 (b) The use of this term in the definition of PAF Document confines the performance assurance scheme to monitoring and reporting on the performance of LDZ Settlement Related Obligations applicable to DNOs and shippers. As well as changes to the PAF Document any expansion of the performance assurance scheme beyond these activities would require a UNC amendment of this definition - see para 16.1.2.

16.1.1 (d) It is envisaged that the Transporters' will publish the "Guidelines for Energy Settlement Performance Assurance Regime" annexed to the final modification report as contemplated by Business Rule 2. This implements Business Rule 9 by including the documents in V12 which carves out the requirement for the document to be modified by a UNC Modification Proposal.

16.1.1 (d) (ii) Reflects the requirement in the modification proposal that the conditions for the appointment of the PAFA will be set out in the UNC Related Document "Guidelines for Energy Settlement Performance Assurance Regime". It is envisaged that the Transporters' will publish the document annexed to the final modification report as contemplated by Business Rule 2.

16.1.1 (f) The establishment of sub-committees is a matter for the UNC Committee. Should the UNCC fail to establish the PAC its functions will fall to it.

16.1.2 This provision preserves the primacy of the UNC over the decisions of the PAC

16.2.1 This ensures that National Grid NTS is not inappropriately involved in decisions of the PAC.

16.2.2 The reference to terms of reference for the PAC reflects the draft ESPAR document

16.3.1 Implements Business Rule 1

16.3.2 Implements Business Rules 3 to 7

16.3.4 Inserted to protect the Transporters against being required by the PAC to enter into contract which expose them to costs which they cannot recover.

Note Business Rule 10 is an implementation issue and is therefore not included in the legal text.