

**CODE MODIFICATION PROPOSAL No xxxx**  
**< Change System Capacity Transfers Notification Time Limit from 04:00 to 03:00>**  
**Version 0.1**

**Date:** 02/02/2010

**Proposed Implementation Date:** 30/06/2010

**Urgency:** Non Urgent

## **1 The Modification Proposal**

### **a) Nature and Purpose of this Proposal**

*Where capitalised words and phrases are used within this Modification Proposal, those words and phrases shall usually have the meaning given within the Uniform Network Code (unless they are otherwise defined in this Modification Proposal). Key UNC defined terms used in this Modification Proposal are highlighted by an asterisk (\*) when first used. This Modification Proposal\*, as with all Modification Proposals, should be read in conjunction with the prevailing UNC.*

#### **Background**

The current UNC allows for Users\* to undertake a System Capacity Transfer\* for all or part of:

- their Available NTS Entry Capacity\* (in accordance with B5.1.1.(a))
- their Available Firm NTS Exit (Flat) Capacity\* (in accordance with B5.1.1.(b))

A System Capacity Transfer\* may be for any Day\* or consecutive Days within the period that the Transferor User\* holds such capacity. In order to complete the transfer, the Transferor User and the Transferee User\* are required under the UNC, to provide National Grid NTS with specific information.

Once the Transferor User and the Transferee User provide the information to National Grid NTS the System Capacity Transfer will be effective if, within the 60 minute window:

- the System Capacity Transfer is approved by National Grid NTS; or
- the System Capacity Transfer is not rejected by National Grid NTS.

UNC B5.2.2 stipulates that Users are permitted to propose a System Capacity Transfer at any point during a Day but no later than 04:00.

However, parts of the system UK Link\* (including Gemini), will not be operational at certain times and for certain periods ("**planned UK Link downtime\***"). The planned UK Link downtime occurs between 04:00 hours and 06:00 hours on any Day and directly impacts on National Grid NTS'

ability to either approve or reject a System Capacity Transfer. By virtue of the downtime National Grid NTS will not have a 60 minute window to either approve or not reject the transfer. As a result the System Capacity Transfer will not be completed.

The planned UK Link downtime is used to enable the Transporters to operate and maintain UK Link, on each Day. This downtime is essential to ensure the continued successful operation of the UK Link system.

### **Proposal Summary**

National Grid NTS propose an amendment to the notification time limit for System Capacity Transfers undertaken in B5.2.2 and B5.6.2(d). This would mean that any proposed System Capacity Transfer may be notified by the Transferor User and the Transferee User no later than 03:00 hours for any period. This would provide National Grid NTS with the 60 minute window to either approve or reject the transfer prior to the UK Link downtime.

For clarification, National Grid NTS can only reject a System Capacity Transfer where:

- the Transferred System Capacity exceeds the Transferor User's Available System Capacity;
- either the Transferor User or the Transferee User does not provide the required information to National Grid NTS in a timely fashion; or
- in accordance with Section V3.

In addition to this, National Grid NTS propose an amendment to B5.2.5 to add further clarity:

A System Capacity Transfer in respect of NTS Exit (Flat) Capacity for **any Transfer Period** may not be withdrawn by either the **Transferor User or the Transferee User** following notification to National Grid NTS.

Amending the planned UK Link downtime outside of the 04:00 to 06:00 period would require significant changes to the existing system and may create a number of unforeseen consequences. National Grid NTS consider change to the notification time limit to be the most efficient and effective way to resolve this issue.

To clarify the proposed changes to the 04:00 cut off time for System Capacity Transfers would be applicable to both NTS Entry Capacity and NTS Exit (Flat) Capacity.

**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.**

Referral to Workstream for discussion

## 2 User Pays

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

It is the view of National Grid NTS that this Proposal is a change/addition to the services provided by xoserve and as such National Grid NTS is of the view that this is a User Pays Proposal.

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

National Grid NTS is of the view (due to the reasons outlined above) that this is a User Pays Proposal, we further propose due to the reasons outlined above, that the split of the recovery of Implementation Costs should be:

[0]% Shipper Users [0]% Transporters

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

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

Any charge applied will be based on the formula outlined in Section 2 b) above and will be dependent upon actual costs received from xoserve

## 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 NTS considers this proposal would, if implemented, better facilitate the following Relevant Objectives as set out in its Gas Transporters Licence in respect of the NTS:

***Standard Special Condition A11.1 (a): the efficient and economic operation of the pipe-line system to which this licence relates;***

Implementation would be expected to facilitate this relevant objective for the following reason:

National Grid NTS would be able to consider the proposed System Capacity Transfer and reject where appropriate (under current UNC conditions). Therefore, it would better facilitate the economic, efficient operation of the NTS by allowing National Grid NTS to monitor whether a Transferor User's Available System Capacity is not exceeded for either Firm NTS Entry Capacity or Firm NTS Exit

(Flat) Capacity.

***Standard Special Condition A11.1 (b): so far as is consistent with subparagraph (a), the 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;***

Implementation would be expected to facilitate this relevant objective for the following reason:

National Grid NTS would be able to consider the proposed System Capacity Transfer and reject where appropriate (under current UNC conditions). Therefore, it would better facilitate the economic, efficient operation of the NTS by allowing National Grid NTS to monitor whether a Transferor User's Available System Capacity is not exceeded for either Firm NTS Entry Capacity or Firm NTS Exit (Flat) Capacity.

***Standard Special Condition A11.1 (c): so far as is consistent with subparagraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;***  
*Not applicable*

***Standard Special Condition A11.1 (d): so far as is consistent with subparagraphs (a) to (c) the 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; Not applicable***

***Standard Special Condition A11.1 (e): so far as is consistent with subparagraphs (a) to (d), the 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; Not applicable***

***Standard Special Condition A11.1 (f): so far as is consistent with subparagraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code;***

Implementation would be expected to facilitate this relevant objective for the following reason:

It would improve the efficiency in the administration of the UNC as Transferor Users and Transferee Users would be able to propose a System Capacity Transfer and ensure that it can be fully considered for approval or rejection by National Grid NTS.

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

No implications on security of supply, operation of the Total System or industry fragmentation 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:**  
None Identified
  - b) **The development and capital cost and operating cost implications:**  
None 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:**  
Not Applicable
  - 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**  
None 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)**  
Not Applicable
- 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**  
None identified
- 8 The implications for Users of implementing the Modification Proposal, including:**
- a) **The administrative and operational implications (including impact upon manual processes and procedures)**  
None identified
  - b) **The development and capital cost and operating cost implications**  
National Grid NTS believes there is no development, capital or operation cost implications.
  - 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 consequences on the level of contractual risk have been 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)**

None identified

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

None identified

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

**Advantages**

Identified in paragraphs 2-10

**Disadvantages**

None identified

- 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**

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

Draft Proposal discussed at Transmission Workstream	04-Feb-10
Draft Proposal discussed at Transmission Workstream	04-Mar-10
Proposal submitted to Mod Panel	18-Mar-10
Proposal issued for consultation (subject to Mod Panel Approval)	18-Mar-10
Closeout for representations	30-Apr-10
Final Modification Report produced	05-May-10
Modification Panel decide upon recommendation	21-May-10
Proposed implementation date	30-Jun-10

**16 Comments on Suggested Text**

n/a

**17 Suggested Text**

n/a

**Code Concerned, sections and paragraphs**

Uniform Network Code

Transportation Principal Document

**Section(s)** B5

**Proposer's Representative**

*Natasha Ranatunga, National Grid NTS*

**Proposer**

*National Grid NTS*