

# 0541/A/B:

Removal of uncontrollable UNC charges at ASEPs which include sub-terminals operating on a 06:00 to 06:00 Gas Day via:

0541: ex-ante quantity adjustments

0541A: setting charges which arise solely as a result of the different Gas Day timings to zero

0541B: ex-post credits to a second category of capacity and accounts balancing neutrality

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

*These modifications propose to achieve the removal of uncontrollable UNC charges incurred by shippers allocated 05:00 to 05:00 Gas Day User Daily Quantity Inputs at ASEPs which include sub-terminals operating on a 06:00 to 06:00 Gas Day.*



The Workgroup recommends that these modifications should now proceed to Consultation.













High Impact: Shippers



Medium Impact: None



Low Impact: None

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<b>3 Solution</b>	<b>4</b>	 <b>0121 288 2107</b>
<b>4 Relevant Objectives</b>	<b>9</b>	Proposers: <b>0541 - Sofia Eng, EDF Trading</b> <b>0541A – Andrew Pearce, BP</b> <b>0541B – Francisco Gonçalves, Gazprom</b>
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About this document:		 <b>0541 -</b> <a href="mailto:sofia.eng@edftrading.com">sofia.eng@edftrading.com</a> <b>0541A –</b> <a href="mailto:andrew.pearce2@uk.bp.com">andrew.pearce2@uk.bp.com</a> <b>0541B -</b> <a href="mailto:francisco.goncalves@gazprom-mt.com">francisco.goncalves@gazprom-mt.com</a>
This report will be presented to the Panel on 19 November 2015.		
The Panel will consider whether these modifications should proceed to Consultation or be returned to the Workgroup for further assessment.		
The Workgroup recommends the following timetable:		 <b>0541: 020 7061 4363</b> <b>0541A: 020 7948 4027</b> <b>0541B: 0207 756 0244</b>
Initial consideration by Workgroup	06 August 2015	Transporter: <b>National Grid NTS</b>
Amended Modification(s) considered by Workgroup	-	 <a href="mailto:fergus.healy@nationalgrid.com">fergus.healy@nationalgrid.com</a>
Workgroup Report presented to Panel	19 November 2015	 <b>01926 655031</b>
Draft Modification Report issued for consultation	19 November 2014	Systems Provider: <b>Xoserve</b>
Consultation Close-out for representations	10 December 2015	 <a href="mailto:commercial.enquiries@xoserve.com">commercial.enquiries@xoserve.com</a>
Final Modification Report published for Panel	11 December 2015	Additional contact: <b>Nick Wye</b>
UNC Modification Panel recommendations	17 December 2015	 <a href="mailto:nick@waterswye.co.uk">nick@waterswye.co.uk</a>
Throughout this report black text is used for items common to all three proposals. The following colour coding is used to denote modification-specific text:		 <b>01789 266811</b>
0541 is shown purple		
0541A is shown red		
0541B is shown blue		

# 1 Summary

## Are these Self-Governance Modifications?

The Modification Panel determined that these are not self-governance modifications because they are likely to have material effect on competition in the shipping of gas, since the modifications attempt to ensure that UNC charges are not unfairly applied to certain Users.

## Are these Fast Track Self-Governance Modifications?

No, Fast-Track procedures do not apply because these are not housekeeping modifications.

## Why Change?

Modification 0461 – Changing the UNC Gas Day to align with the Gas Day in EU Network Codes will be implemented on 01 October 2015 (<http://www.gasgovernance.co.uk/0461>), however it does not apply to arrangements “upstream” of the NTS (within which the Balancing zones are situated) such as the UK gas beach processing terminals. The NTS will run a United Kingdom time 05:00 hours to 05:00 hours Gas Day, however the majority of United Kingdom gas beach processing sub terminals will continue to run on a United Kingdom time 06:00 hours to 06:00 hours Gas Day (the “GMT Terminals”).

This results in a situation where Users have to base their nominations and claims on an 06:00 Gas Day whilst National Grid NTS will provide flow data on an 05:00 Gas Day basis. The resulting “Time Shift Mismatches” would be likely to inadvertently place affected Users out of balance; triggering Imbalance, Scheduling and potentially Incentivised Nomination charges. Such “Time Shift Charges” would not be as a result of Users’ failure to balance or an NTS imbalance and are not able to be mitigated by Users.

Monies raised from Time Shift Charges would be returned to all Users via the neutrality mechanism. Time Shift Charges would therefore not be in compliance with the principles set out in the EU Regulation that balancing rules should: (i) financially incentivise network users to balance their balancing portfolios via cost reflective imbalance charges; (ii) reflect genuine system needs; (iii) be non discriminatory; and (iv) avoid cross subsidisation.

## Solution

Three alternative solutions have been identified:

**0541 Amending each User’s User Daily Quantity Input**, at a GMT Terminal, so no Time Shift Mismatches are created. This would mean that no Time Shift Charges would arise and would avoid Users incurring unearned charges, restore the correct financial incentives to balance and avoid discrimination of Users at GMT Terminals and cross subsidisation by Users at GMT Terminals of all other Users.

**0541A Setting the Time Shift Charges to zero** by calculating charges using GMT UDQIs at GMT Terminals. This would prevent Users incurring unearned charges, restore the correct financial incentives to balance and avoid discrimination of Users at GMT Terminals and cross subsidisation by Users at GMT Terminals of all other Users.

**0541B Reimbursing Users at GMT Terminals for Time Shift Charges** by creating a second category of Capacity and Balancing Neutrality Charges for Users at GMT Terminals only. This would mean that Users would be reimbursed for Time Shift Charges and would have the effect of preventing Users incurring unearned charges, restore the correct financial incentives to balance and avoid discrimination of Users at GMT Terminals and cross subsidisation by Users at GMT Terminals of all other Users.

## Relevant Objectives

These modifications better facilitate the achievement of Relevant Objectives d) (i) securing of effective competition between relevant shippers, and 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.

## Implementation

No implementation timescales are proposed, however it is anticipated that the successful modification should be implemented on 01 October 2015, the date on which the gas Day will change to 05:00 hours to 05:00 hours, or at the earliest possible date thereafter. If implementation is post 01 October 2015 then a reconciliation of the relevant charges will be applied.

## Do these modifications impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

These modifications are likely to have an impact on the EU Phase 3 systems changes due to the need to acquire additional 06:00 hours to 06:00 hours flow data.

## 2 Why Change?

The European Network Code on Capacity Allocation Mechanisms (“CAM”) stipulates that there should be a harmonised gas Day across the EU. CAM is due to be implemented from 01 November 2015. The European Network Code on Gas Balancing (“BAL”) makes reference to the gas Day as defined in the CAM Network Code. BAL is due to be implemented from 01 October 2015. Both the CAM and BAL Network Codes form part of Regulation (EC) No 715/2009 of the European Parliament dated 13 July 2009 (the “Regulation”). However the Regulation only applies the harmonised gas Day to Interconnection Points and downstream systems within the EU. It does not apply to arrangements “upstream” of the transmission systems (within which the Balancing zones are situated) such as the UK gas beach processing terminals.

The National Transmission System will run a United Kingdom time 05:00 hours to 05:00 hours gas Day from 01 October 2015. However, the majority of United Kingdom gas beach processing sub terminals will continue to run on a United Kingdom time 06:00 hours to 06:00 hours gas Day on and after 01 October 2015 (the “GMT Terminals”). This is due to the technical challenges and costs that would be incurred in changing all terminal and upstream metering to run on an 05:00 hours to 05:00 hours gas Day.

There will be no arrangements (for example linepack flexibility or operational balancing type arrangements) between National Grid NTS and the GMT Terminals to handle mismatches arising from the NTS running on a 05:00 hours to 05:00 hours gas Day and the GMT Terminals running on a 06:00 hours to 06:00 hours gas Day.

### Impact on Users at GMT Terminals

Users inputting gas to the NTS from GMT Terminals will only have Day ahead and within Day information about their intended and actual flows on a 06:00 hours to 06:00 hours basis and will accordingly have to schedule and nominate to National Grid NTS and make “Claims” to the Claims Validation Agent based on 06:00 hours to 06:00 hours numbers.

Without this modification National Grid NTS would give the Claims Validation Agent a 05:00 hours to 05:00 hours metered Entry Point Daily Quantity Delivered for each System Entry Point at a GMT Terminal and the Claims Validation Agent would need to allocate that quantity between Users based on 06:00 hours to 06:00 hours Claim numbers. There would therefore likely be on all Days mismatches arising from the differences between the 05:00 hours to 06:00 hours aggregate quantity on one Day and the 05:00 hours to 06:00 hours quantity on the next Day (“Time Shift Mismatches”).

The effect of such Time Shift Mismatches on the existing Claims Validation arrangements would be that: (1) if the Entry Point Daily Quantity Delivered is less than the aggregate of all Users' Claims, all Users' Claim numbers and therefore their User Daily Quantity Input quantities will be reduced pro rata; and (2) if the Entry Point Daily Quantity Delivered is greater than the aggregate of all Users' Claim numbers, the resulting "Time Shift Excess Gas" will be lost to the NTS as unallocated gas. Depending on the overall NTS balance, such Time Shift Excess Gas may be sold by National Grid and the proceeds returned to all Users via the balancing neutrality system rather than just to Users using the GMT Terminals.

In order to prevent the loss of Time Shift Excess Gas on a regular basis as a result Time Shift Mismatches, the shareholders of the Claims Validation Agent are in the process of amending the Claims Validation arrangements so that Time Shift Excess Gas will be allocated to Users at the GMT Terminals rather than be treated as unallocated gas. This will have the effect of increasing each such User's Claim number and therefore their User Daily Quantity Input quantities. These changes will also enable the Claims Validation Agent to provide National Grid NTS with each User's UDQI on a 05:00 hours to 05:00 hours basis and on 06:00 hours to 06:00 hours basis if required.

Even following such intervention, Users at GMT Terminals will likely incur on every Day NTS Daily Imbalance Charges and Scheduling Charges and potentially Overrun Charges and Incentivised Nomination Charges as a result of the Time Shift Mismatches since they will be out of balance every Day (long or short) depending on whether the Entry Point Daily Quantity Delivered is greater or smaller than the aggregate of all Users' Claim numbers ("Time Shift Charges").

The Users will be unable to manage or mitigate the Time Shift Charges as they are a factor simply of the difference between the 05:00 hours to 06:00 hours aggregate quantity on one Day and the 05:00 hours to 06:00 hours quantity on the next Day. The Time Shift Mismatches will have no effect on the overall physical balance of the NTS. Users will only become aware of their Time Shift Mismatches after the Day.

Time Shift Charges will be unearned and not capable of mitigation by Users and will not arise from the physical needs of the NTS nor the Users' failure to balance. Monies raised from Time Shift Charges will be returned to all Users via the neutrality charge systems. Time Shift Charges will therefore not be in compliance with the principles set out in Regulation that balancing rules should: (i) financially incentivise network users to balance their balancing portfolios via cost reflective imbalance charges; (ii) reflect genuine system needs; (iii) be non discriminatory; and (iv) avoid cross subsidisation.

### 3 Solution

#### 0541

Amending each User's User Daily Quantity Input, at a GMT Terminal, so no Time Shift Mismatches are created.

This would mean that no Time Shift Charges would arise and would avoid Users incurring unearned charges, restore the correct financial incentives to balance and avoid discrimination of Users at GMT Terminals and cross subsidisation by Users at GMT Terminals of all other Users. For the avoidance of doubt, Uniform Network Code charges will continue to be applied for User imbalances arising from physical imbalances and as such the Users' allocated gas at GMT Terminals will not benefit from any positive discrimination.

National Grid NTS should have access to hourly metering at all GMT Terminals and can therefore calculate the aggregate quantities off taken on a 0600 hours to 0600 hours basis. Alternatively the Claims Validation Agent can provide the 0600 hours to 0600 hours sub terminal meter reading as well as the User's UDQIs.

Changes should be made to, inter alia, the following Sections of the Uniform Network Code:

### TPD Section A - System Classification

Add concept of “**Associated GMT Day**” to General Terms, being the period starting at 0600 hours on the Day and ending at 0600 hours on the next Day.

Add a new TPD Section A 5 introducing concept of a “**GMT System Entry Point**”, being a System Entry Point connected to facilities using an Associated GMT Day.

### TPD Section E - Daily Quantities, Imbalances and Reconciliation

Add a new Section E 1.4.4 to provide that for GMT System Entry Points, the “**Entry Point Daily Quantity Delivered**” for the Day is the aggregate quantity of gas delivered to the Total System on the Associated GMT Day at that GMT System Entry Point.

Section E 1.4.1 should then be expressed to be subject to Section E 1.4.4.

### TPD Section C – Nominations and Renominations

Amend Section C 1.1.5 to say that Users will use reasonable endeavours based on the information available to them nominate and renominate accurately

### Reconciliation

If this modification is not in force for 01 October 2015, National Grid NTS to run a reconciliation process from the date of implementation of the modification back to 01 October 2015 to reimburse Users for Time Shift Charges incurred by the Users in the period from 01 October 2015.

### **0541A**

Setting the Time Shift Charges to zero by calculating charges using GMT UDQIs at GMT Terminals.

This would prevent Users incurring unearned charges, restore the correct financial incentives to balance and avoid discrimination of Users at GMT Terminals and cross subsidisation by Users at GMT Terminals of all other Users. For the avoidance of doubt, Uniform Network Code charges will continue to be applied for User imbalances arising from physical imbalances and as such the Users allocated gas at GMT Terminals will not benefit from any positive discrimination.

The Claims Validation Agent will be able to provide National Grid NTS for each User at a System Point at a GMT Terminal (a “GMT System Entry Point”) for each Day with a UDQI calculated from National Grid’s Entry Point Daily Quantity Delivered (0500 hours to 0500 hours basis) and with a “GMT UDQI” calculated from the User’s Claim on an 0600 hours to 0600 hours basis for the “GMT Day” starting on the Day.

Changes should be made to, inter alia, the following Sections of the Uniform Network Code:

### TPD Sections A and E

Add concept of “GMT Day” (i.e. 0600 hours to 0600 hours) and a concept of “Associated GMT Day”, being the GMT Day starting on the Day, to General Terms.

Add a new Section A.5 introducing concept of “GMT System Entry Point”, being a System Entry Point connected to facilities using a GMT Day.

Add concept of a “GMT UDQI” being the quantity of gas treated as being entered by the User to the Total System on the Associated GMT Day at a GMT System Entry Point to Section E 1.1.2 and a new Section E2.4 detailing how GMT UDQI’s will be calculated.

### TPD Section F2.3 - Clearing Charge

Add a new Section 2.3.5 to provide that, for GMT System Entry Points the Daily Imbalance for the purposes of calculating the Daily Imbalance Charge shall be calculated by using GMT UDQIs instead of UDQI’s.

Section 2.3.1 should then be expressed to be subject to Section 2.3.5.

### TPD Section F3.2.1 – Input Scheduling Charges

Definition of “Input Scheduling Quantity” amended to use GMT UDQIs instead of UDQIs for GMT System Entry Points.

### TPD Section B2.12.2 – Overrun Charges

The “overrun quantity” to be calculated using use GMT UDQIs instead of UDQIs for GMT System Entry Points for the purposes of determining System Entry Overrun Charges.

### TPD Section E5.3 – Incentivised Nomination Charges

Add an extra sub Section 5.3.8 (d) to provide that “A”, the User’s Daily Imbalance, is calculated for GMT System Entry Points by using GMT UDQIs instead of UDQIs.

### TPD Section C – Nominations and Renominations

Amend Section 1.1.5 to say that Users will use reasonable endeavours based on the information available to them nominate and renominate accurately

### Reconciliation

If this modification is not in force for 01 October 2015, National Grid NTS to run a reconciliation process from the date of implementation of the modification back to 01 October 2015 to reimburse Users for Time Shift Charges incurred by the Users in the period from 01 October 2015.

## **0541B**

Reimbursing Users at GMT Terminals for Time Shift Charges by creating a second category of Capacity and Balancing Neutrality Charges for Users at GMT Terminals only.

This would mean that Users would be reimbursed for Time Shift Charges and would have the effect of preventing Users incurring unearned charges, restore the correct financial incentives to balance and avoid discrimination of Users at GMT Terminals and cross subsidisation by Users at GMT Terminals of all other Users. For the avoidance of doubt, charges will continue to be applied for User imbalances arising from physical imbalances and as such the Users allocated gas at GMT Terminals will not benefit from any positive discrimination.

The Claims Validation Agent will be able to provide National Grid NTS for each User at a System Point at a GMT Terminal (a “GMT System Entry Point”) for each Day with a UDQI calculated from National Grid’s Entry Point Daily Quantity Delivered (0500 hours to 0500 hours basis) and with a “GMT UDQI” calculated from the User’s Claim on an 0600 hours to 0600 hours basis for the “GMT Day” starting on the Day. The User’s “Time Shift Quantity” for the Day, being the difference between the UDQI and the GMT UDQI, whether positive or negative, can therefore be calculated.

Changes should be made to, inter alia, the following Sections of the Uniform Network Code:

### TPD Sections A and E

Add concept of “GMT Day” (i.e. 0600 hours to 0600 hours) and a concept of “Associated GMT Day”, being the GMT Day starting on the Day, to General Terms.

Add a new Section A.5 introducing concept of “GMT System Entry Point” being a System Entry Point connected to facilities using a GMT Day.

Add concept of a “GMT UDQI” being the quantity of gas treated as being entered by the by the User to the Total System on the Associated GMT Day at a GMT System Entry Point to Section E1.1.2 and a new Section E2.4 detailing how GMT UDQI’s will be calculated. Then add concept of a “Time Shift Quantity” being the difference between the UDQI and the GMT UDQI.

### TPD Section B – Capacity Neutrality Arrangements



Exclude “Time Shift Entry Overrun Charges” (being System Entry Overrun Charges arising solely from Time Shift Quantities) from the calculation of Relevant Capacity Revenues in Section 2.13.2.

Add new Sections from 2.13.8 onwards setting up a new “Time Shift Capacity Neutrality Arrangements” scheme. This scheme should follow the existing Capacity Neutrality Arrangements but:

- only be in respect of Time Shift Entry Overrun Charges less any applicable National Grid NTS costs (“Relevant Time Shift Capacity Revenues)
- be in respect of GMT System Entry Points only
- shall return the Relevant Time Shift Capacity Revenues arising at a GMT System Entry Point to Users at such GMT System Entry Point pro rata to the amount of Time Shift Entry Overrun Charges paid by them in the relevant period.

#### TPD Section I – Balancing Neutrality Charges

Exclude “Time Shift Daily Imbalance Charges” payable to National Grid NTS (being Daily Imbalance Charges arising solely from Time Shift Quantities), “Time Shift Scheduling Charges” (being Scheduling Charges arising solely from Time Shift Quantities) and “Time Shift Incentivised Nomination Charges” (being Incentivised Nomination Charges arising solely from Time Shift Quantities) from the calculation of Aggregate System Receipts in Section 4.4.2 and the calculation of the Monthly Adjustment Neutrality Amount in Section 4.5.3.

Exclude “Time Shift Daily Imbalance Charges” payable by National Grid NTS (being Daily Imbalance Charges arising solely from Time Shift Quantities) from the calculation of Aggregate System Payments in Section 4.4.3 and the calculation of the Monthly Adjustment Neutrality Amount in Section 4.5.3.

Add new Sections from 4.7 onwards setting up a new “Time Shift Balancing Neutrality Arrangements” scheme. This scheme should follow the existing Balancing Neutrality Arrangements but:

- only be in respect of Time Shift Entry Daily Imbalance Charges (positive and negative), Time Shift Scheduling Charges and Time Shift Incentivised Nomination Charges less any applicable National Grid costs and adjusted by any interest due for late payments (“Time Shift Balancing Neutrality Charge”)
- be in respect of GMT System Entry Points only
- shall return the Time Shift Balancing Neutrality Charge arising at a GMT System Entry Point to Users at such GMT System Entry Point pro rata to the amount of such charges paid by them in the relevant period.

#### TPD Section C – Nominations and Renominations

Amend Section 1.1.5 to say that Users will use reasonable endeavours based on the information available to them nominate and renominate accurately

#### Reconciliation

If this Modification is not in force for 01 October 2015, National Grid NTS to run a reconciliation process from the date of implementation of the Modification back to 01 October 2015 to reimburse Users for Relevant Time Shift Capacity Revenues and Time Shift Balancing Neutrality Charges due to the Users in the period from 01 October 2015. Note: National Grid NTS to use Reconciliation process to reallocate any such Relevant Time Shift Capacity Revenues and Time Shift Balancing Neutrality Charges that have been returned to all Users using the existing neutrality processes in the interim period.



Classification of the modifications as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of these modifications and they are not, therefore, classified as User Pays Modifications.
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.	<b>0541</b> – Positive <b>0541A</b> – Positive <b>0541B</b> – Positive
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.	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.	<b>0541</b> – Positive <b>0541A</b> – Positive <b>0541B</b> – Positive

These modifications ensure that those UNC charges which would be levied on Users at GMT Terminals as a result of mismatches arising from the differences between the 05:00 hours to 06:00 hours aggregate quantity on one Day and the 05:00 hours to 06:00 hours quantity on the next Day are not applied. Users have no control over the “Time Shift Mismatches” and are unable to take any mitigating actions to address them. The imposition of UNC charges, which result from Time Shift Mismatches means that affected Users face unwarranted costs, which are redistributed to all Users via neutrality charges, for example. In combination, these outcomes create inefficiencies in terms of cost allocation and undermine competition.

The Regulation stipulates a number of basic principles, which should be adhered to in relation to the implementation of a daily balancing regime. These principles include:

- **Non-discriminatory** rules for access conditions to natural gas transmission systems.
- Balancing Rules to reflect **genuine system needs** taking into account the resources available to the transmission system operator.
- Imbalance charges shall be **cost-reflective** whilst providing **appropriate financial incentives on network users to balance their input and off-take of gas**.
- Imbalance charges to **avoid cross-subsidisation** between network users and shall not hamper the entry of new market entrants.
- **Shippers to have primary responsibility to balance their balancing portfolios** in order to minimise the need for transmission system operators to undertake balancing actions.

The levying of UNC charges on “Time Shift Mismatches” would be inconsistent with these principles and therefore would not be compliant with the Regulation. These proposals will ensure that the balancing rules in the UNC and, more specifically, those charges which are applied to Users at GMT Terminals are compliant with the Regulation.

## Workgroup Assessment

Workgroup participants carried out an impact assessment, identifying six key issues arising from these proposals that are listed below. Based on this, the Workgroup assessed each modification against the Relevant Objectives d) (i) securing of effective competition between relevant shippers, and 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.

1. **Cost Reflectivity**
2. **Effect on Competition**
3. **Compliance with EU Codes**
4. **Incentive to Balance**
5. **Appropriateness of the use of Neutrality**
6. **Potential Impact on Scheduling Charges/Balancing Neutrality**

## Impact Assessment

The six key areas of impact identified by the Workgroup are explored below.

[Material from the existing documentation will be inserted here by the next meeting]

### 1. Cost Reflectivity

XXXX

### 2. Effect on Competition

XXXX

### 3. Compliance with EU Codes

XXXX

**4. Incentive to Balance**

XXXX

**5. Appropriateness of the use of Neutrality**

XXXX

**6. Potential Impact on Scheduling Charges/Balancing Neutrality**

XXXX

**Relevant Objective d)**

**0541 Amending each User's User Daily Quantity Input**

**0541A Setting the Time Shift Charges to zero**

**0541B Reimbursing Users at GMT Terminals for Time Shift Charges**

**Relevant Objective g)**

**0541 Amending each User's User Daily Quantity Input**

**0541A Setting the Time Shift Charges to zero**

**0541B Reimbursing Users at GMT Terminals for Time Shift Charges**

## 5 Implementation

There are likely to be limited costs associated with the central systems changes to implement these modifications.

### 0541

The costs will arise from the need to obtain the additional 06:00 hours to 06:00 hours flow data.

### 0541A

The costs will arise from the need to obtain the “GMT UDQI” data and the subsequent changes to UNC charges.

### 0541B

The costs will arise from the need to obtain the “GMT UDQI” data and the subsequent adjustments to Capacity and Balancing Neutrality charges.

No implementation timescales are proposed, however as the UNC gas Day will change to 05:00 hours to 05:00 hours on 01 October 2015, implementation should be on this date, or as soon as possible thereafter. If implementation is post 01 October 2015 then a reconciliation of the relevant charges will be applied as set out in the business rules in Section 3 above.

## 6 Impacts

### Do these modifications impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

These modifications are likely to have an impact on the EU Phase 3 systems changes due to the need to acquire additional 06:00 hours to 06:00 hours flow data.

## 7 Legal Text

### Text Commentary

Insert text here

### Text

The following Text has been prepared by X, and no issues were raised by the Workgroup regarding its content.

or

Text was not available for Workgroup assessment. However Text has been provided as a separate document published alongside this report.

or

The following Text has been prepared by X at the request of the Modification Panel.

## 8 Recommendation

The Workgroup invites the Panel to:

- AGREE that these modifications should be submitted for Consultation.