





UNC Modification	At what stage is this document in the process?
<h1>UNC 0733:</h1> <h2>UNC Section Y clarification post decision on implementation of Modification 0678A</h2>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid green; background-color: #008000; color: white; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="font-weight: bold; font-size: 1.2em; margin-right: 5px;">01</span> Modification         </div> <div style="border: 1px solid blue; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="font-weight: bold; font-size: 1.2em; margin-right: 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid purple; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="font-weight: bold; font-size: 1.2em; margin-right: 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid orange; padding: 2px; display: flex; align-items: center; justify-content: center;"> <span style="font-weight: bold; font-size: 1.2em; margin-right: 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b></p> <p>Correcting a single, minor typographical error which does not change the sentiments of the code.</p>	
	<p>The Proposer recommends that this modification should be:</p> <ul style="list-style-type: none"> <li>subject to fast track self-governance</li> </ul> <p>This modification will be presented by the Proposer to the Panel on 20 August 2020. The Panel will consider the Proposer's recommendation and determine the appropriate route.</p>
	<p>High Impact:</p> <p>None</p>
	<p>Medium Impact:</p> <p>None</p>
	<p>Low Impact:</p> <p>Shippers and Transporters</p>

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Timetable		
<b>The Proposer recommends the following timetable:</b>		
Final Modification Report available for Panel	20 August 2020	
Modification Panel decision	20 August 2020	

 Any questions?

Contact:  
Joint Office of Gas Transporters

 [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

 0121 288 2107

Proposer:  
Laura Johnson

 [laura.johnson@nationalgrid.com](mailto:laura.johnson@nationalgrid.com)

 07970 842400

Transporter:  
Colin Williams

 [colin.williams@nationalgrid.com](mailto:colin.williams@nationalgrid.com)

 07785 451776

Systems Provider:  
Xoserve

 [UKLink@xoserve.com](mailto:UKLink@xoserve.com)

Other:  
Insert name

 email address

 telephone

## 1 Summary

### What

Correcting a minor typographical error in UNC TPD Section Y text associated with Modification 0678A which is due to implement on 1<sup>st</sup> October 2020.

### Why

This modification will ensure that all terminology and references in the applicable UNC TPD Section Y is aligned by making this minor housekeeping change.

### How

This modification will make a single typographical change to UNC TPD Section Y (Charging Methodology), which was introduced under Modification 0678A.

## 2 Governance

### Justification for Fast Track Self-Governance, Authority Direction or Urgency

This modification should be classed as a Fast Track self-governance modification because it has no effect on existing or future gas consumers, competition between parties, operation of network systems or UNC procedures nor unduly discriminate between different classes of UNC parties. It simply proposes correcting a minor typographical error and will not change the sentiments of the code and will promote clarity within the UNC.

This was discussed at July 2020 NTSCMF and details can be found in section 1.4.2 of the minutes [https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/2020-07/Minutes%20NTSCMF%207%20July%202020%20v1.0.pdf?vAPmQM9M\\_HEakvu7sleXzGbAHsP\\_OP\\_K=](https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/2020-07/Minutes%20NTSCMF%207%20July%202020%20v1.0.pdf?vAPmQM9M_HEakvu7sleXzGbAHsP_OP_K=) where workgroup agreed with the suggestion it should go to August Panel.

### Requested Next Steps

This modification should:

- be considered a non-material change and subject to self-governance
- be subject to fast track self-governance

## 3 Why Change?

This Modification seeks to carry out a single typographical change in UNC TPD Section Y following implementation of Modification 0678A.

## 4 Code Specific Matters

### Reference Documents

Modification 0678A (Legal Text): [https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/book/2019-05/Modification%200678A%20-%20Annex%20B%20Draft%20Legal%20Text%20-%20TPD%20Y%20Part%20I-A%20-%202015.05.2019%2864273200\\_3%29.pdf](https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/book/2019-05/Modification%200678A%20-%20Annex%20B%20Draft%20Legal%20Text%20-%20TPD%20Y%20Part%20I-A%20-%202015.05.2019%2864273200_3%29.pdf)

### Knowledge/Skills

UNC TPD Section Y: <https://gasgov-mst-files.s3.eu-west-1.amazonaws.com/s3fs-public/ggf/page/2019-01/24%20TPD%20Section%20Y%20-%20Charging%20Methodologies.pdf>

## 5 Solution

The following list covers the changes that are proposed:

Change Required	Comments
UNC TPD Section Y – 1.5.3.f: First definition should say KTS EN,t instead of KTS EX,t	Administrative change

## 6 Impacts & Other Considerations

**Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?**

No Impact

### Consumer Impacts

None - only carrying out housekeeping change

### Cross Code Impacts

None

### EU Code Impacts

None

### Central Systems Impacts

None

## 7 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

Standard RO (f) is overall furthered as this proposal is promoting efficiency in the code and providing clarity in the necessary areas, here specifically under one of the equations in Section Y. It does not change any equations and calculations however does ensure that the code is reflecting the necessary information.

### Section Y (Charging Methodology) Modifications

Impact of the modification on the Relevant Charging Methodology Objectives:

Relevant Objective	Identified impact
a) Save in so far as paragraphs (aa) or (d) apply, that compliance with the charging methodology results in charges which reflect the costs incurred by the licensee in its transportation business;	None
aa) That, in so far as prices in respect of transportation arrangements are established by auction, either: (i) no reserve price is applied, or (ii) that reserve price is set at a level - (I) best calculated to promote efficiency and avoid undue preference in the supply of transportation services; and (II) best calculated to promote competition between gas suppliers and	None

between gas shippers;	
b) That, so far as is consistent with sub-paragraph (a), the charging methodology properly takes account of developments in the transportation business;	None
c) That, so far as is consistent with sub-paragraphs (a) and (b), compliance with the charging methodology facilitates effective competition between gas shippers and between gas suppliers; and	None
d) That the charging methodology reflects any alternative arrangements put in place in accordance with a determination made by the Secretary of State under paragraph 2A(a) of Standard Special Condition A27 (Disposal of Assets).	None
e) 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

This proposal amends some explanatory text underneath one of the equations in Section Y (effective from October 2020). This update does not amend the equation itself, only correcting a minor typographical error and ensures that all necessary explanatory text support the equations facilitating calculation of charges in line with the required methodology. As this is correcting a minor typo the broader Relevant Objective for administration of the code is furthered in a positive manner. Section Y is not substantively changed hence the position on Charging Methodology Relevant Objectives.

## 8 Implementation

As fast track self-governance procedures are proposed and this changes the text which is introduced with the introduction of the revised Methodology in Modification 0678A, implementation is proposed to take effect concurrent with Modification 0678A, from 01 October 2020.

## 9 Legal Text

### Text Commentary

Amend “Ex” to “En” in the subscript text in the first explanatory item following the formula to correctly cross reference the  $K^{TS_{En,t}}$  term in the supporting text underneath the equation to calculate the “Exit Adjustment Proportion” in 1.5.3 (f) of Section Y (Charging Methodologies), Part A – NTS Charging Methodologies, A-1 NTS Transportation Charging Methodology.

### Text

1.5.3 (f) the “Exit Adjustment Proportion” for Formula Year t is determined as:

$$K^{TS_{Ex,t}} / (K^{TS_{En,t}} + K^{TS_{Ex,t}})$$

where

$K^{TS_{En,t}}$  is determined by applying the formula in Special Condition 2A.19 substituting:

- (A) Transmission Services Entry Revenue in respect of Formula Year t-2 for NTS Transportation Owner Revenue in respect of Formula Year t-2; and
- (B) Allowed FY Transmission Services Entry Revenue in respect of Formula Year t-2 for Maximum NTS Transportation Owner Revenue in respect of Formula Year t-2;

$K^{TS_{Ex,t}}$  is determined by applying the formula in Special Condition 2A.19 substituting:

- (A) Transmission Services Exit Revenue in respect of Formula Year t-2 for NTS Transportation Owner Revenue in respect of Formula Year t-2; and
- (B) Allowed FY Transmission Services Exit Revenue in respect of Formula Year t-2 for Maximum NTS Transportation Owner Revenue in respect of Formula Year t-2.

## 10 Recommendations

### Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Fast Track self-governance procedures should apply
- Agree that this Fast Track Proposal should be implemented