

Representation - Draft Modification Report UNC 0772S

Transparency Improvements to the Process for Changing Gas Quality Limits in NTS Connection Agreements

Responses invited by: **5pm on 08 October 2021**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Ashley Adams
Organisation:	National Grid NTS
Date of Representation:	08/10/2021
Support or oppose implementation?	Support
Relevant Objective:	d) Positive f) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

As proposer of this UNC Modification, National Grid supports its implementation.

National Grid's 'Implementing the Proposed Gas Quality Standards' research project, published in Q1 2021, identified an opportunity to improve existing gas market mechanisms relating to changes in gas quality ranges, to deliver a process that better meets stakeholders needs. Enabling such changes via the consent of all Users holding NTS Entry Capacity at the relevant ASEP process offers a quick and efficient means by which gas quality limits within Network Entry Provisions between National Grid NTS and a Delivery Facility Operator may be amended relative to an 'enabling' Code Modification. However, this process is not deemed sufficiently transparent and is therefore rarely used. We believe that the implementation of this UNC Modification will deliver the desired improvements to the transparency of the process by providing stakeholders with a 10 business day engagement period, within which, they are able to raise an objection to a gas quality limit change.

We believe that the implementation of this UNC Modification would further both Relevant Objective (d) and (f) as outlined in the Draft Modification Report and below:

d) Securing of effective competition between relevant shippers:

The implementation of this UNC Modification would provide the market with more information than they receive today prior to a gas quality limit change being made. This better facilitates a level playing field between entry and exit shippers who may have competing objectives where gas quality is concerned.

f) Promotion of efficiency in the implementation and administration of the code:

The implementation of this UNC Modification would enhance the existing process for a gas quality limit change to be made to a connection agreement by making it more transparent. This may result in more regular use of the process which could be quicker and less draining on industry resource than the 'enabling modification' process which is currently widely used. In the future, with a potential increase in the frequency of regulatory changes to gas quality limit values it will be important for contractual changes to be made quickly and efficiently, and the implementation of this UNC Modification could help provide this.

Self-Governance Statement:

As set out in the Draft Modification Report, we are of the opinion that application of self-governance procedures are appropriate as the changes proposed seek only to improve the transparency of an existing process with a default to another existing and widely used process if an objection is raised. We therefore believe that the UNC Modification will not have a material impact on consumers, competition, operation of the pipeline systems, matters relating to sustainable development, safety or security of supply, the management of market or network emergencies, governance procedures, and will not discriminate between different classes of parties to the UNC.

Implementation:

We do not require a lead time for implementation of this UNC Modification Proposal, therefore, as self-governance procedures are proposed, implementation could be sixteen business days following a decision to implement.

Impacts and Costs:

National Grid will not incur any specific additional costs as a consequence of the implementation of this UNC Modification.

Legal Text:

We have no further changes proposed to the legal text and are satisfied that it delivers the intent of the solution.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

We have not identified any errors or omissions.

Please provide below any additional analysis or information to support your representation

None.