

UNC Workgroup Report		At what stage is this document in the process?
<h1>UNC 0608S:</h1> <h2>Implementation of 'single service provision' arrangements for iGT connected system exit points (Project Nexus transitional modification)</h2>		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 01 Modification </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 02 Workgroup Report </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 03 Draft Modification Report </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; display: flex; align-items: center; gap: 10px;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification:</p> <p>This 'transitional' UNC Modification Proposal identifies changes to the UNC to facilitate an orderly transition from the existing arrangements governing unmetered connected Independent Gas Transporter (iGT) systems (Connected Systems Exit Points - CSEPs) to the new 'single service provision' UNC framework to be implemented under UNC Modification 0440 'Project Nexus – iGT Single Service Provision'.</p>		
	<p>The Workgroup recommends that this modification should:</p> <ul style="list-style-type: none"> be subject to self-governance procedures proceed to Consultation <p>The Panel will consider this Workgroup Report on 16 March 2017. The Panel will consider the recommendations and determine the appropriate next steps.</p>	
	<p>High Impact:</p> <p>None</p>	
	<p>Medium Impact:</p> <p>None</p>	
	<p>Low Impact:</p> <p>Large and Small Transporters, Shippers</p>	

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Timetable		
Modification timetable:		
Initial consideration by Workgroup	03 February 2017	
Workgroup Report presented to Panel	16 March 2017	
Draft Modification Report issued for consultation	16 March 2017	
Consultation Close-out for representations	06 April 2017	
Final Modification Report available for Panel	10 April 2017	
Modification Panel decision	20 April 2017	
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1 Summary

What

It is necessary to introduce transitional UNC terms to ensure an orderly transition to the new arrangements on the Project Nexus Implementation Date (PNID), presently 01 June 2017.

Why

Modification 0440, directed for implementation by the Authority on 14 January 2015, introduces the new UNC iGT Arrangements Document (iGTAD) which replaces the Generic LDZ CSEP Network Exit Agreement (NExA) which is presently a UNC code referenced document.

The cutover to iGTAD entails the transition of services/data transfer arrangements, which need to be detailed to ensure nothing is lost in the transition.

How

Modification of the UNC Transition Document is required to facilitate transition from the LDZ CSEP NExA to iGTAD during implementation of Project Nexus. This will be in the form of a series of rules setting out the treatment of arrangements pertaining to both documents during that period.

2 Governance

Justification for Urgency, Authority Direction or Self-Governance

The Modification Panel determined that this Modification Proposal is self-governance as the Modification, if implemented, would not have a material effect on relevant commercial activities as set out in the Uniform Network Code (UNC) or on consumers. This is because the proposed arrangements simply clarify the transition to the already-approved iGTAD.

Requested Next Steps

This modification should:

- be subject to self-governance
- proceed to Consultation

The Workgroup agreed with the Modification Panels view that this modification is suitable for Self-Governance for the reasons set out above. The Workgroup considers the modification sufficiently developed to be issued to consultation.

3 Why Change?

UNC Modification 0440 'Project Nexus – iGT Single Service Provision' was directed for implementation by the Authority on 14th January 2015. It is due to become effective on the PNID.

Modification 0440 introduces the new UNC iGTAD which replaces the Generic LDZ CSEP NExA which is presently a UNC code referenced document.

It is necessary to introduce provisions within the UNC Transition Document (TD) to facilitate an orderly transfer of commercial arrangements before, during and after the PNID.

4 Code Specific Matters

Reference Documents

- iGT Arrangements Document (iGTAD)
- Generic LDZ CSEP NExA (including Annex A part 13)

Knowledge/Skills

Specific knowledge of the arrangements to be implemented under UNC Modification 0440 would be useful.

5 Solution

Modification of the UNC is required as follows:

- To introduce IGTAD/Transportation Principal Document (TPD) transitional terms associated with:
 - DN CSEP connection arrangements
 - iGT data migration
 - Preparation and use by DNs of iGT Supply Point Register Data (iGTSPRD) data sets and iGT Licence Data
 - Provision of iGT portfolio reports to CSEP Users
 - Provision of data (IGTAD Sections D3.2) by the DNO to the iGT
 - Treatment of classification of CSEP Supply Meter Points at PNID
- To set out IGTAD Committee terms
 - Provision of member contact details
 - Convening of meetings
- To amend the CSEP Network Exit Agreements including:
 - Provision of iGTSPRD datasets
 - Provision of iGT Licence Data
- To amend the Transporters Framework Agreement and Data Services Contract (DSC) Agreement to address:
 - Application of the Transporter Framework Agreement
 - iGT accession to the DSC
- To incorporate terms to enable Termination of the CSEP Network Exit Agreement including:
 - Termination details
 - Provision of information/communication transition arrangements

6 Impacts & Other Considerations

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

This Modification is essential to the implementation of the UK Link Replacement programme (which incorporates the changes required for 'Project Nexus').

This Modification contains transitional terms and obligations, which will expire over time.

Consumer Impacts

Consumer Impact Assessment

Criteria	Extent of Impact
Which Consumer groups are affected?	No consumers will be directly impacted by this modification.
What costs or benefits will pass through to them?	No direct costs or benefits identified.
When will these costs/benefits impact upon consumers?	Not applicable.
Are there any other Consumer Impacts?	None identified.

Cross Code Impacts

It is not expected that there would be any cross-code impacts although it would be beneficial for the iGT UNC to be assessed for any consequential effects. It is anticipated that iGTs will need to update the iGT UNC to ensure it mirrors the transitional requirements of this modification.

EU Code Impacts

No impacts have been identified.

Central Systems Impacts

There are no central systems impacts. However, the Modification is required to facilitate implementation of the UK-Link Replacement programme.

Workgroup Impact Assessment

The Workgroup notes that this modification is required to facilitate the smooth transition from the current arrangements detailed in the CSEP NExA to those required by the implementation of Modification 0440 - Project Nexus – iGT Single Service Provision by the introduction of transitional terms.

No adverse issues or impacts were identified during the assessment of this modification. However, it is noted that iGTs may need to consider reciprocal arrangements for the iGT UNC.

It was noted and some concerns were raised that the dates identified in the legal text that establishes the migration of iGT data to central systems were later in the process for those established for the proposed

Nexus implementation of 01 October 2016. However, it was identified that the transition plan for Nexus is more robust and certain for the 01 June 2017 than developed for 01 October 2016 coupled with industry preparedness mitigates and associated risks.

User Pays <i>(Workgroup assessment of proposer initial view or subsequent information)</i>	
Classification of the modification as User Pays, or not, and the justification for such classification.	Costs arising from the UK Link replacement and including enhancements to the existing UNC regime have been considered when price controls were set and funding provided. On this basis, no User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays modification.
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.	Not applicable
Proposed charge(s) for application of User Pays charges to Shippers.	Not applicable
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	Not applicable

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

This Modification is required to provide clear rules and guidance to Distribution Network Operators (DNOs), iGTs and Shipper Users on the contractual arrangements pertaining to the UNC before and during implementation of the UK-Link Replacement Programme (including Project Nexus). The measures identified can be expected to facilitate relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code.

8 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised.

9 Legal Text

Legal Text and Legal Text Commentary has been provided by National Grid Gas Distribution and is published alongside this report. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

10 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- This self-governance modification should proceed to consultation.