iGT UNC / iGT INC Final Modification Report

Date	19th April 2013
Reference	iGT046
Title	Revision to the Modification Rules
Proposer	Colette Baldwin E.ON
iGT UNC / Pipeline Operator	iGT UNC
Modification Proposal Dates	*Circulation: 21/12/2012* *Response: 16/01/2013* *Circulation of DMR: 06/02/2013* *Response to DMR: 27/02/2013* *DFMR published: 20/03/2013* *DFMR considered at Panel: 17/04/2013* *FMR sent to authority: 19/04/2013* *Revised FMR sent to authority: 19/06/2013* *Circulate Authority's determination: dd/mm/yyyy* *Suggested Implementation date: dd/mm/yyyy*

PART A - MODIFICATION PROPOSAL

Urgency

Non-Urgent

Background

Modifications raised under the UNC and also under the IGT UNC will not conclude their assessment stages together and therefore will not be referred to the Authority for a decision at the same time. The consequences are that this could result in the implementation of modifications being either out of step with each under the different codes or the delay of the implementation in one code to align delivery timescales with the other where Pipeline Users systems are impacted.

The IGT UNC modification rules were based loosely around the UNC modification rules, but in the absence of a regular workgroup that could be used to develop and consult on modifications additional steps were included in the iGT UNC Modification Rules to allow for extra off-line review by Pipeline Operators and Users. The introduction of the Standing Workgroup now creates a regular workgroup where modifications can be referred for further development and so the additional consultation stage is no longer required.

The Proposal

The proposal seeks to remove the additional steps that are not a feature of the UNC Modification Rules to align the assessment of modifications that are raised at the same time under both codes.

How will the proposal operate?

The revision of the iGT UNC Modification rules to a common timeline with that of the large transporters.

Proposer's suggested timescale for implementation

As this is a document only change it will not affect modifications already raised and so it should be implemented two months from Authority Consent.

Proposer's view on the Section(s) of the Code Concerned

Section L

Proposer's views on how the proposal better facilitates the relevant objectives

Relevant Objective	*Yes/No*
a. the efficient and economic operation of the pipe-line system to which this licence relates	No
b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters	No
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	No
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	No
e. so far as is consistent with sub-paragraphs (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	No
f. so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition	Yes
g. so far as is consistent with sub paragraphs (a) to (f) the compliance with the Regulation* and any relevant binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators	No

* Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009

By aligning the iGT UNC modification rules with that of the Large Transporter's network code it will enable all gas transporters to deliver a common solution in a common timeframe. This will make the implementation of any changes more efficient.

Proposer's view on any Likely impact on environment?

None

Proposer's view on any Implementation issues including impact on systems

None

PART B - CONSULTATIONS SUMMARY

Summary of responses to the consultations on the original Modification Proposal and the Draft Modification report

4 responses were received to the Modification Proposal consultation with one response to the Draft Modification Report consultation, which can be viewed here.

Respondent	Response to iGT046	Response to DMR
E.ON	Support	
RWE npower	Support	
British Gas	Support	
ESP	Support	
Scottish Power		Support

Facilitation of the relevant objectives – Summary of responses

How this proposal will, if implemented, better facilitate the "code relevant objectives", as defined in Standard Condition 9 of the Gas Transporters Licence.

Summary of Responses to the Modification Proposal and Draft Modification Report**

Relevant Objective	*Relevant*
a. the efficient and economic operation of the pipe-line system to which this licence relates	
b. so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of the pipe-line system of one or more other relevant gas transporters	
c. so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence	
d. so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition between relevant shippers and between relevant suppliers	
e. so far as is consistent with sub-paragraphs (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	
f. so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code referred to in paragraphs 2 and 5 respectively of this condition	*5*
g. so far as is consistent with sub-paragraphs (a) to (f), the 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*

* Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009

Any additional comments:

The majority of respondents highlighted the relevance of objective f, with one respondent additionally highlighting the relevance of objective g.

Objective f:
Respondents noted that the revised Modification Rules produced by the iGT046 Workgroup more closely align both the Modification Rules and timetable with that currently in place for the UNC. With an ever increasing number of industry changes needing to be applied to both the iGT UNC and UNC simultaneously these revised Modification Rules will allow the implementation of such changes to be conducted more efficiently across both Codes to the same timescales, this will minimise the potential impact of common modifications being implemented out of line with one another and enabling them to be referred to the Authority for decision at the same time, thus improving the efficiency of modifications and

removing the risks of inconsistencies in the treatment of Customers/end Users regardless of their Transporter.

Respondents also noted that the alignment of the UNC and IGTUNC timings is important to future modifications such as Smart Metering, Nexus, and Single Service Provision.

Objective g:
The revised Modification Rules now allow for the Authority to raise Modification Proposals in response to binding decisions from the European Commission and/or Agency for the Co-operation of Energy Regulators.

Other Observations:
The suggested changes to the text of Part L, of the iGT UNC are consistent with the intent of the proposal, and we support the inclusion of the Proposers contact details. This is consistent with other codes, (eg. SPAA) and although there is some risk associated with the publication of the details on an open website, the benefits of being able to approach the Proposer, we believe, outweigh those risks.

One respondent also noted the change in timescales for sections 10.1 and 10.2 and offered support for the code administrator in delivering the subsequent changes to processes where necessary.

Respondents noted the potential changes on the horizon as a result of the Code Governance Review Phase 2 consultation. Support for CGR2 was noted with the understanding that specific elements of these recommendations (e.g. self governance) can be added to the IGT UNC at a later date with little to no expense to the industry – it was viewed that any such changes would introduce new obligations and processes rather than amend the proposed changes and shouldn't be a reason to delay the progression of this Modification.

The Proposer also noted the following:

- Certain timescales have been tightened up and brought into line with the UNC, these including the adding of new Mod's onto Panel Meeting Agenda's, distribution of new Mod's to Change Administrators and the raising of Alternative Mod's.
- The Draft Final Mod Report (DFMR) stage has been removed, this stage doesn't exist within the UNC and had the potential to create a misalignment of timescales for common Mod's raised across both Codes.
- The Proposer of a Modification will be able to express their opinion as to whether the Mod should progresses to Consultation, Development or Review (subject to Panel approval);
- Some elements present in the iGT UNC but not included in the UNC have been retained, i.e. if the Panel decision is split on the route a Mod should take, this decision will be deferred to the next meeting, if the Panel decision is still split after this the Mod will automatically be sent for Development (previously it would have been sent for Consultation)
- The UNC rules around the provision of Legal Text have recently been updated as a result of UNC Mod 384 (i.e. Legal Text to be provided as a matter of course at the DMR stage). This has been mirrored in the iGT Modification Rules.
- Since the original rules had been written the iGT Shipper Standing Workgroup has been developed and meets on a regular basis to discuss new and existing Modifications. The Rules have been updated to reflect the option for a Development Mod to be progressed through the iGT Shipper Workgroup rather than

a standalone Workgroup.

Likely impact on environment?

No points were raised by respondents

Implementation issues including impact on systems

n/a

iGT UNC Modification Panel Discussion

This Modification Proposal was presented to the April 2013 iGT UNC Modification Panel for review and discussion where the Panel Chair advised that the general intention of the Modification was to amend the existing Modification rules and implement some changes in the way that consultations were handled, in relation to the current two stage process; with a greater emphasis on the value that work group discussions add to the development of Modifications.

Noting that the majority of respondents to the consultation and DMR had indicated that the Modification would further facilitate the achievement of objective f, with one respondent indicating the facilitation of objective g – the Panel agreed with this position. Panel members also considered that the DFMR was sufficiently detailed in expressing the reasons for the facilitation of objective f and g, as indicated by respondents. A Pipeline User representative commented that the main intention of the Modification was to align current iGT UNC processes with that of the UNC and in this respect the DFMR was sufficiently clear in communicating this.

The Panel Chair advised that the Modification created further efficiencies in the administration of the Modifications process through the potential to use a one stage consultation process, noting that respondents usually only respond to the consultation or DMR stage, but usually not both. With this in mind it was considered that the Modification doesn't reduce or remove the potential for parties to feed into the Modification process.

The Panel voted unanimously in favour of implementing the iGT046 Modification Proposal, with all Panel Members indicating that they were happy with a proposed implementation date 2 months following Authority consent.

Revised Final Modification Report

Following Ofgem's consideration of the Final Modification Report issued on the 19th April 2013, a number of errors in the legal text were identified.

A further version of the legal text has been prepared and is attached to this revised Final Modification Report. The revised legal text was presented to the iGT UNC Panel on the 19th June 2013, who voted unanimously to approve the revisions and requested that the amended Final Modification Report be resubmitted to the Authority for their consideration.

PART C – Proposed Legal Text *(Provided by Transporters)*

Proposed Section L – change marked v5

iGT046-Section-L-Mod-Process--Proposed-

[Link]

Proposed Process – Visio diagram

iGT-Modification-Proposed-Process.pdf

[Link]

PART D - Other Information

n/a