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| **Modification** | | At what stage is this document in the process? |
| iGT090F:*(Code Administrator to issue reference)*  *Changes to the iGT039 legal text following a review of UNC legal text* | |  |
| **Purpose of Modification**: To correct errors in the legal text of iGT039 that have been identified following a comprehensive review undertaken by the Large Transporters of related UNC legal text. This review identified a number of errors in UNC text some of which is referenced by the iGT039 modification and requires amendment. | | |
| Description: Description: YES_GREEN | The Proposer recommends that this modification should be:   * subject to fast track self-governance   This modification will be presented by the Proposer to the Panel on 21 December 2016. The Panel will consider the Proposer’s recommendation, determine if the Proposal meets Fast Track Criteria and consider whether or not to recommend implementation. | |
| Description: Description: High_Impact |  | |
| Description: Description: Low_Impact |  | |
| Description: Description: Medium_Impact | Low Impact: Shippers and Transporters:This is expected to be of low impact due to the changes being housekeeping changes in nature. | |

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| Contents  1 Summary 3  2 Governance 3  3 Why Change? 3  4 Code Specific Matters 5  5 Solution 5  6 Impacts & Other Considerations 5  7 Relevant Objectives 6  8 Implementation 7  9 Legal Text 7  10 Recommendations 7  Timetable  *Please provide proposer contacts and an indicative timeline. The Code Administrator will update the contents and provide any additional Specific Code Contacts.*   |  |  | | --- | --- | | **The Proposer recommends the following timetable:** *(amend as appropriate)* | | | Initial consideration by Workgroup | n/a | | Amended Modification considered by Workgroup | n/a | | Workgroup Report presented to Panel | n/a | | Draft Modification Report issued for consultation | n/a | | Consultation Close-out for representations | n/a | | Variation Request presented to Panel | n/a | | Final Modification Report available for Panel | n/a | | Modification Panel decision | 21 December 2016 | | **Any questions?** |
| Contact:  **Code Administrator** |
| **Description: Description: email_us_go_onlineiGTUNC@gemserv.com** |
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# Summary

#### What

As a result of UNC Modification UNC 0586FT some changes have been made to UNC legal text that will be implemented on the Project Nexus Implementation Date (PNID). Some of this text is referenced in the iGT039 legal text that was developed to implement Single Service Provision and as a result of the UNC changes, is now also required to be changed to make sure the links between the two Codes continue to be appropriate and relevant.

#### Why

If the changes aren’t made, then the iGT UNC as implemented on PNID will point to areas of the UNC that are no longer relevant/appropriate.

#### How

The required areas of legal text that need to be changes are detailed below in the Modification.

# Governance

#### Justification for Fast Track Self-Governance Procedures

It is proposed that this modification should be subject to Fast Track Self-Governance as it is correcting minor errors in the original iGT039 drafting either of a typographical nature or as a result of errors that have been identified in the UNC legal text which iGT039 points across to.

#### Requested Next Steps

This modification should: be subject to fast track self-governance

The changes will need to be made to the text that is implemented in the iGT UNC by iGT039 on PNID.

# Why Change?

Earlier in the year the Large Transporters carried out a full review of whether any changes to the legal text that had been written for a number of modifications that had either already been in progress at the time the legal text for Nexus was developed or had been implemented subsequent to the approval of the Nexus Modifications – principally UNC Modifications 0432 and 0440.

This work has been completed and a resultant modification 0586FT - Resolution of minor legal text drafting conflicts arising from UNC Modification 0432 – has been implemented. The output from this work can be viewed at - <http://www.gasgovernance.co.uk/sites/default/files/Output%20from%20PN%20LT%20Tracker.pdf>

**Assessment of any Impact on the iGT UNC**

When the above UNC work was initiated it was recognised that there may be impacts on the Legal Text developed for iGT039 as this legal text was itself developed using the legal text for UNC 0432/0440 as the basis. If, for example, the UNC work highlighted that a UNC reference in UNC 0432/0440 was incorrect because of changes in another implemented Modification being developed around the same time and it was further identified that iGT039 pointed to this reference, then there may be a need to change the iGT039 reference to the amended one.

In order to carry out this analysis a four stage approach was followed:

* Firstly, all references to the UNC in the iGT039 text were identified and listed individually using the latest version of the iGT039 text which has been produced to include all relevant modifications that have been implemented since the iGT039 legal text was originally developed;
* Secondly, the output from the PN LT Tracker was used to identify if any of potential changes to UNC legal text were to text that was referenced within the iGT039 legal text;
* Thirdly, where a UNC reference in the iGT039 text was mentioned in the Tracker, a more detailed assessment was undertaken on whether the iGT039 reference may no longer be correct and would need amendment;
* Fourthly, where there was any ambiguity with regard to the Tracker findings these were discussed with National Grid Distribution who raised the UNC 0586FT Modification.

# Code Specific Matters

#### Technical Skillsets

Knowledge of the iGT UNC both current and as developed for Single Service Provision

#### Reference Documents

Current published version of the iGT039 legal text

# Solution

The output from the above work is detailed in the document (iGTUNC\_UNC Cross reference list \_Oct16.) more specifically in the “Consolidated by UNC ref worksheet” in the document.

Overall, it was identified that the references in the iGT039 text to UNC text remained valid with the following exception:

* iGT039 currently references G5.2.3(d) in the UNC at CII clause 2. This UNC reference was deleted by UNC Modification 445 which removed the Aggregate Bottom Stop Capacity from the UNC and as such will no longer exist in the UNC to be implemented at PNID

One other iGT039 legal text error was directly identified as a result of the above work.

* The reference to 5.1.3 (e) in Part E1.2 should be to 5.1.2(e)



Impacts & Other Considerations

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

No

#### Consumer Impacts

None

#### Environmental Impacts

None

Relevant Objectives

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| Impact of the modification on the Relevant Objectives: | |
| Relevant Objective | Identified impact |
| 1. Efficient and economic operation of the pipe-line system | None |
| 1. Co-ordinated, efficient and economic operation of 2. the combined pipe-line system; and/or 3. the pipe-line system of one or more other relevant gas transporters | None |
| 1. Efficient discharge of the licensee’s obligations | None |
| 1. Securing of effective competition: 2. between relevant shippers; 3. between relevant suppliers; and/or 4. between DN operators (who have entered into transportation agreements with other relevant gas transporters) and relevant shippers | None |
| 1. 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 |
| 1. Promotion of efficiency in the implementation and administration of the Code | Positive |
| 1. Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators | None |

#### Objective F

The proposer is of the view that this Modification better facilitates objective (f) *Promotion of efficiency in the implementation and administration of the Code* as the changes address inaccuracies in the current iGT039 base text created either through the original drafting or as a result of errors that have been identified in the UNC legal text that will be implemented at PNID and to which iGT039 points across to.

Implementation

It is anticipated that the changes will go live as part of the wider set of IGT UNC changes to implement Agency services into the IGT UNC at Project Nexus implementation date.

Legal Text

#### Proposed Text

**PART CII - DM CAPACITY AND OFFTAKE RATE**

**2 Minimum Capacity Requirements**

For the purposes of this Clause 2 the provisions of paragraph 5.2 of Section G of the UNC shall apply with the following changes:

the reference to paragraph 5.5.5 of Section G of the UNC in paragraph G5.2.3(a)(ii) shall be interpreted as a reference to Clause 5.6 of this Part CII.

~~paragraph 5.2.3(d) shall not apply.~~

paragraph 5.2.4(c) of Section G of the UNC shall be replaced with the following:

“where in the meantime the Pipeline User has submitted a Supply Point Confirmation which has become effective the Pipeline User may by submitting a Supply Point Reconfirmation revise (consistently with such reduced Prevailing DM Capacity but not retrospectively) the DM Capacity which it holds at the DM Supply Point.”

paragraph 5.2.7 shall not apply.

paragraph 5.2.8 shall not apply.

**PART E - METER READING**

the reference to paragraph 5.14 of Section M of the UNC in paragraph 5.1.2~~3~~ (e) shall be interpreted as a reference to paragraph 5.14 as incorporated into this Part E by Clause 15.1The references to " paragraph 5" in paragraphs 5.1.4 and 5.1.6 shall be interpreted as references to the applicable provisions of Part E including those elements of paragraph 5 of Section M of the UNC incorporated into this Part E.

# Recommendations

#### Proposer’s Recommendation to Panel

Panel is asked to:

* Agree that Fast Track governance procedures should apply