








Modification	At what stage is this document in the process?
<p><b>iGT099:</b></p> <p><b>Transitional AQ arrangements for iGTs as a result of a delay in Nexus implementation</b></p>	<div> <div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div> </div>
<p><b>Purpose of Modification:</b></p> <p>The purpose of this modification is to clearly communicate to industry that iGTs would not be subject to an AQ Review in 2017 if Project Nexus is delayed. This modification is being raised to mirror what has been considered in the UNC, with specific reference to UNC609</p>	
	<p>The Proposer recommends that this modification should be:</p> <ul style="list-style-type: none"> <li>• subject to self-governance</li> <li>• assessed by a Workgroup</li> </ul>
	<p>High Impact:</p> <p>Transporters, CDSP, Shippers</p>

Contents		 Any questions?
1	Summary	3
2	Governance	3
3	Why Change?	4
4	Code Specific Matters	4
5	Solution	4
6	Impacts & Other Considerations	5
7	Relevant Objectives	5
8	Implementation	6
9	Legal Text	6
10	Recommendations	6
11	Appendix 1	6
Error! Bookmark not defined.		 020 7090 1044
<b>Timetable</b>		Proposer: <b>Kishan Nundloll</b>
<b>The Proposer recommends the following timetable:</b>		 <a href="mailto:Kishan.nundloll@espug.com">Kishan.nundloll@espug.com</a>
Initial consideration by Workgroup	02 May 2017	 Other: <b>Katy Binch</b>
Amended Modification considered by Workgroup	02 May 2017	
Workgroup Report presented to Panel	TBC	
Draft Modification Report issued for consultation	TBC	
Consultation Close-out for representations	TBC	
Variation Request presented to Panel	TBC	
Final Modification Report available for Panel	TBC	
Modification Panel decision	TBC	
		 <a href="mailto:Katy.Binch@espug.com">Katy.Binch@espug.com</a>

## 1 Summary

### What

iGTs believe that iGT Supply Points can only be managed by Xoserve under single service provisions (UNC0440) once PNID occurs. On this basis UNC Modification 0609 cannot stipulate amendments to the 2017 iGT AQ review which we believe sits within iGT UNC part C1 section 6. In order to give iGTs confidence and mitigate risks, the most pragmatic way would be to add a temporary Code change, stating the agreed stance with respect to the AQ Review for this Gas Year.

### Why

This modification is necessary to ensure that the Code is accurate with respect to PNID and to ensure clarity on the procedure if a delay occurs.

Currently under iGT-UNC, there is an obligation to:

*6.4 Subject to the Pipeline Operator receiving certain data specified in the IGT AQ Review Procedures from the Large Transporter by no later than 19th May in the preceding Gas Year, the Pipeline Operator shall no later than 7th July in the preceding Gas Year notify to each Registered User in the format provided in the IGT AQ Review Procedures the Provisional Annual Quantity in respect of the relevant Gas Year for each of its Registered Supply Meter Points and supporting details including:*

*(a) the Supply Meter Point Reference Number; and*

*(b) where available, the Meter Readings used by the Pipeline Operator to determine the Provisional Annual Quantity.*

### How

It is proposed that an addition is made to the Code to clarify that in the event of a delay to the Project Nexus Implementation Date the review of AQs as set out in CI 6.4 will not be carried out under the existing Code arrangements.

## 2 Governance

### Justification for Self-Governance Procedures

While this modification could be considered to merit urgent status based on the timeline, it would seem more sensible and pragmatic to raise as a self-governance modification, and reconsider after the last PN checkpoint. The proposer would then be able to withdraw altogether, or raise as urgent thereafter.

### Requested Next Steps

This modification should:

- be subject to self-governance
- be assessed by a Workgroup

### 3 Why Change?

The CDSP has already explained that they will not be able to provide sufficient resource in order to facilitate any type of Annual AQ Review for the Large Transporters and this has been set out in UNC Modification 609. The iGT UNC has been developed such that post Nexus implementation there will no longer be a standalone iGT Annual AQ review and this change has been approved and will come into effect with the implementation of iGT039. However, if Nexus is delayed the existing iGT UNC text will remain in force, thus leading to the potential for the iGT to have to carry out an AQ review even though (assuming UNC609 is accepted) the Large Transporters will not be required to do their equivalent review. iGTs also understand that a should Nexus be delayed, there would likely be a period of re-planning which would take parties beyond the AQ review period – this would need to be completed until parties can make a call on whether it is worth committing the resource to an AQ review in light of the period to when NEXUS and rolling AQ is implemented.

### 4 Code Specific Matters

#### Technical Skillsets

N/A

#### Reference Documents

##### UNC609

<http://www.gasgovernance.co.uk/sites/default/files/Draft%20Modification%20Report%200609%20v1.0.pdf>

### 5 Solution

In order to address the issues as set out above, it is proposed that a change be made to the iGT UNC to specify that for this Gas Year, the iGTs will not be required to carry out the AQ Review process as currently detailed in Part CI 6.4 (and in the iGT UNC Ancillary Document – iGT AQ Review Procedures).

#### Rule 1

For the Gas Year commencing on the 1<sup>st</sup> October 2016, the Pipeline Operator will not be required to carry out the Annual AQ Review

#### Rule 2

Any Provisional Annual Quantities that would otherwise have been calculated as an output of the AQ Review will instead be set to the AQ that was registered on the Pipeline Operator's system as of the day prior to the implementation date for this modification.

## 6 Impacts & Other Considerations

A request to perform an AQ review would have an impact on both the Transporter and the CDSP as resource would have to be re-deployed. This would all be relative as all forward planning would be subject to an updated implementation date.

### Consumer Impacts

N/A

### Environmental Impacts

N/A

## 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) Co-ordinated, 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 agreements 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 Cooperation of Energy Regulators	None

This modification and the intent of this modification would better facilitate relevant objective F, as this would promote efficiency in the implementation and administration of the Code, with specific reference to Part C1, section 6.

## 8 Implementation

This modification should be implemented as soon as possible and but between the 1<sup>st</sup> June 2017 and 7<sup>th</sup> July 2017.

## 9 Legal Text

The following proposed text will replace the existing paragraph 6.4 in Part CI

6.4(a) For the Gas Year 05:00 1<sup>st</sup> October 2016 until 05:00 1<sup>st</sup> October 2017 paragraph 6.4(b) shall not apply and the Provisional Annual Quantity for any Registered Supply Meter Point that would otherwise be notified in accordance with 6(4) (b) shall be the Annual Quantity of that Registered Supply Meter Point as is applicable on the day prior to the Modification iGT099 Implementation Date.

6.4 (b) Subject 6.4(a) and subject to the Pipeline Operator receiving certain data specified in the IGT AQ Review Procedures from the Large Transporter by no later than 19<sup>th</sup> May in the preceding Gas Year, the Pipeline Operator shall no later than 7<sup>th</sup> July in the preceding Gas Year notify to each Registered User in the format provided in the IGT AQ Review Procedures the Provisional Annual Quantity in respect of the relevant Gas Year for each of its Registered Supply Meter Points and supporting details including:

(i) the Supply Meter Point Reference Number; and

(ii) where available, the Meter Readings used by the Pipeline Operator to determine the Provisional Annual Quantity.

## 10 Recommendations

### Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Self Governance procedures should apply
- Refer this proposal to a Workgroup for assessment.