

Stage 01: Modification Proposal

iGT066

Aligning UNC with Licence conditions relating to European legislative change

At what stage is this document in the process?

- 01 Modification Proposal
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

This Modification would amend the Modification rules to recognise that the Authority:

- May direct the timetable to be applied to a Modification Proposal related to European regulatory change; and
- May direct that a Modification Proposal raised by a Transporter may not be withdrawn.



- proceed to consultation



High Impact:
N/A



Medium Impact:
N/A



Low Impact:
iGT UNC Parties, Third Party Participants and Materially Affected Parties.










Contents

- 1. Plain English Summary..... 3
- 2. Rationale for Change 4
- 3. Solution 5
- 4. Relevant Objectives 6
- 5. Impacts and Costs..... 6
- 6. Likely Impact on Consumers 6
- 7. Likely Impact on Environment 7
- 8. Implementation..... 7
- 9. Legal Text..... 7
- 10. Recommendation 7

About this document:

This modification will be presented by the proposer to the panel on 16 Jul 2014.

The panel will consider the proposer’s recommendation, and agree whether this modification should be subject to self-governance; and whether it should be issued for consultation or be referred to a workgroup for assessment.


Any questions?
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1. Plain English Summary

Is this a Self-Governance Modification?

As this is a change to iGT-UNC Modification Rules, this change is not being proposed as Self-Governance (or Fast Track Self Governance).

Rationale for Change

The principles described below have yet to be reflected in the iGT-UNC.

Solution

The solution being proposed is to amend Part L, ensuring the following principles are adequately reflected, and should provide that the Authority:

- May direct the timetable to be applied to a European Modification Proposal; and
- May direct that a European Modification may not be withdrawn.

Relevant Objectives

This modification better facilitates Relevant Objectives (c) - Efficient discharge of the licensee's obligations, by aligning the iGT-UNC with the provisions of Standard Licence Condition 9.

Implementation

To be implemented as soon as reasonably practical.

2. Rationale for Change

In order to ensure that the iGT-UNC is aligned with relevant European legislation and binding decisions of the Commission and/or ACER, it may be necessary to introduce Modifications to the iGT-UNC, and in certain cases, subject such Modifications to required timescales.

Changes were introduced to Standard Licence Condition 9 (Network Code and Uniform Network Code) ("SLC9") under Ofgem's *Decision to modify gas and electricity licence conditions following the implementation of the Third Package*¹. These changes took effect on 17 December 2013.

The change described above introduced the following provisions into SLC9 paragraph 7:

j. modification proposals made by the Authority or the licensee in accordance with paragraphs 8(a) and 9(a) which the Authority reasonably considers are necessary to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators:

(i) to be accepted into the network code modification procedures by the panel;

(ii) where they are raised by the licensee, not to be withdrawn without the Authority's prior consent;

(iii) to proceed in accordance with any timetable(s) directed by the Authority in accordance with paragraph 7(k);

k. compliance by the licensee and (where applicable) the panel with any direction(s) issued by the Authority under this paragraph setting and/or amending a timetable in relation to a modification which the Authority reasonably considers is to comply with or implement the Regulation and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators) for the:

(i) licensee to raise a modification proposal; and/or

(ii) completion of each of the procedural steps outlined in this paragraph 7, to the extent that they are relevant; and/or

(iii) implementation of a modification;

While J(i) is reflected in Part L 10.1.3 in the iGT-UNC, J(ii) and J(iii) are not and need to be introduced in code.

These have yet to be reflected into the iGT-UNC Modification Rules; the rationale for this Modification is to introduce the changes necessary to see that these provisions are adequately reflected.

¹*Decision to modify gas and electricity licence conditions following the implementation of the Third Package* (<https://www.ofgem.gov.uk/publications-and-updates/decision-modify-gas-and-electricity-licence-conditions-following-implementation-third-package-and-other-house-keeping-changes>)

3. Solution

This Modification Proposal will enable licence holders to comply with their obligations. It will:

1. Enable the Authority to determine the timetable to be applied to Modification Proposals related to European regulatory change; and
2. Restrict the ability of Transporters to withdraw Modification Proposals raised as a consequence of European regulatory change.

It is anticipated that Part L of the iGT-UNC will be the only section affected by these changes.

4. 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.	Positive
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.	None
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

The Proposer considers that this Modification would facilitate:

Objective c

This modification better facilitates Relevant Objectives (c) - Efficient discharge of the licensee's obligations, by aligning the iGT-UNC with the provisions of Standard Licence Condition 9.

5. Impacts and Costs

None identified.

6. Likely Impact on Consumers

None identified.

iGT066

Modification Proposal

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Version 0.2

Page 6 of 7

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7. Likely Impact on Environment

None identified

8. Implementation

To be implemented as soon as reasonably practical.

The proposer asks that, subject to Authority Decision, iGT-UNC Modification Panel members consider whether or not a release date outside of the three release dates per annum is (1) appropriate/necessary and (2) feasible, in order to ensure that the Code aligns with the requirements of the iGT licence as soon as reasonably practical.

9. Legal Text

To be provided by the Transporters, upon request by the Panel.

10. Recommendation

The Proposer invites the Panel to:

- Determine that this modification should progress to Consultation.