

Modification proposal:	Independent Gas Transporter Uniform Network Code (iGT UNC): Revision to the Modification Rules (iGT046)		
Decision:	The Authority ¹ directs that this proposal be made ²		
Target audience:	Gemserv, Parties to the iGT UNC and other interested parties		
Date of publication:	24 July 2013	Implementation Date:	To be confirmed by the iGT UNC Secretary

Background to the modification proposal

The independent Gas Transporters Uniform Network Code (iGT UNC) was introduced in 2007 to achieve greater alignment of the gas transportation arrangements in the iGT sector. It operates a similar function to the Uniform Network Code (UNC) for larger gas transporters.³

Code modifications may be proposed concurrently under the UNC and iGT UNC where they seek to deal with a related, industry-wide issue. Due to differences in the modification procedures of these codes, however, such proposals may not reach a conclusion at the same time. Where delivery timeframes need to be aligned, this could result in the delayed implementation of beneficial modifications.

The modification proposal

Modification proposal iGT046 was raised by E.ON ('the proposer'). It seeks to remove additional steps in the iGT UNC modification rules that are not in line with the UNC procedures. This would enable the assessment of related modification proposals to be aligned where they are raised at the same time under each code.

The proposer believes that iGT046 will better facilitate iGT UNC Relevant Objective (f),⁴ enabling all gas transporters to deliver a common solution in an aligned timeframe, therefore improving efficiency in the implementation of code modifications.

iGT UNC Panel⁵ recommendation

iGT046 was considered by the iGT UNC Panel ('the panel') on 17 April 2013 and subsequently on 19 June 2013.⁶ The panel unanimously voted in favour of the proposed modification and agreed with the proposed implementation date of two months following Authority consent.

The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report (FMR) dated 19 April 2013 and submitted for Authority approval on

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

³ Gas Transmission and Gas Distribution Networks.

⁴ As set out in Standard Condition 9 of the Gas Transporters Licence.

⁵ The iGT UNC Panel is established and constituted from time to time pursuant to and in accordance with the iGT UNC Modification Rules.

⁶ The final modification report sent to the Authority on 19 April 2013 contained an incorrect version of the legal text, and this text contained a number of errors. The report was therefore reconsidered by the panel on 19 June 2013.

19 June 2013. The Authority has considered and taken into account the consultation responses which are attached to the FMR.⁷ The Authority has concluded that:

1. implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the iGT UNC; and
2. directing that the modification be made is consistent with the Authority's principal objective and statutory duties.⁸

Reasons for the Authority's decision

We consider that iGT046 better facilitates relevant objective (f):

Objective (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;

Four responses were received to the iGT046 work group consultation and one response was received to the draft modification report. All respondents were in support of the proposal and agreed that the proposed modification better facilitates relevant objective (f). It was noted that by aligning timeframes with the UNC greater efficiency in the implementation of changes could be achieved. One respondent considered that this would remove potential inconsistencies in the treatment of customers/end users, regardless of their transporter. We agree that better alignment with the UNC code modification procedures will result in more efficient administration under the iGT UNC, particularly where it is beneficial for modifications to be aligned with related modifications under the UNC.

We note that iGT046 makes a number of refinements and clarifications to the existing rules. This includes provision for the Authority to raise modifications to the iGT UNC which it reasonably considers are necessary to comply with or implement the Regulation⁹ and/or any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators. This change better aligns the iGT UNC with standard condition 9¹⁰ of the gas transporter licence and therefore we consider that it further supports efficiency in the administration of the code. We note however that the Regulation has not been clearly defined by the proposed legal drafting and this may be a beneficial housekeeping amendment.

⁷ iGT UNC modification proposals, modification reports and representations can be viewed on the iGT UNC website at <http://www.igt-unc.co.uk/>.

⁸ The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Gas Act 1986.

⁹ Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009 on conditions for access to the national gas transmission networks and repealing Regulation 2005/1775/EC, as amended by Commission Decision 2010/685/EU of 10 November 2010 amending Chapter 3 of Annex I to Regulation 2009/715/EC of the European Parliament and of the Council on conditions for access to the natural gas transmission networks.

¹⁰ Paragraphs 8(a)(v) and 9(a)(iv).

Decision notice

In accordance with Standard Condition 9 of the Gas Transporters Licence, the Authority hereby directs that modification proposal iGT046: 'Revision to the Modification Rules' be made.

Lesley Nugent**Head of Industry Codes and Licensing****Signed on behalf of the Authority and authorised for that purpose**