

UNC Modification	At what stage is this document in the process?
<h1 data-bbox="134 324 657 416">UNC 0863:</h1> <h2 data-bbox="134 454 1015 584">Erroneous Transfer Exceptions Process</h2>	<div data-bbox="1209 309 1469 629"> <div data-bbox="1209 309 1469 383">01 Modification</div> <div data-bbox="1209 394 1469 468">02 Workgroup Report</div> <div data-bbox="1209 479 1469 553">03 Draft Modification Report</div> <div data-bbox="1209 564 1469 638">04 Final Modification Report</div> </div>
<p><b>Purpose of Modification:</b></p> <p>To provide a remedy for Erroneous Transfers that have failed to be progressed (exceptions) within a reasonable period to be proactively managed by the Central Data Services Provider (CDSP)</p>	
<p><b>Next Steps:</b></p> <p>The Proposer recommends that this Modification should be:</p> <ul data-bbox="164 1012 536 1088" style="list-style-type: none"> <li>• subject to Self-Governance</li> <li>• assessed by a Workgroup</li> </ul> <p>This Modification will be presented by the Proposer to the Panel on <b>16 November 2023</b>. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>	
<p><b>Impacted Parties:</b></p> <p>High: Shippers and Suppliers</p> <p>Low:</p> <p>None: Independent Gas Transporters and National Gas Transmission</p>	
<p><b>Impacted Codes:</b></p>	

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Timetable			Systems Provider: Xoserve
<b>Modification timetable:</b>			 <a href="mailto:UKLink@xoserve.com">UKLink@xoserve.com</a>
Pre-Modification Discussed	26 October 2023		
Date Modification Raised	26 October 2023		
New Modification to be considered by Modification Panel	16 November 2023		
First Workgroup Meeting	23 November 2023		
Workgroup Report to be presented to Modification Panel	15 February 2024		
Draft Modification Report issued for Consultation	16 February 2024		
Consultation Close-out for representations	07 March 2024		
Final Modification Report available for Modification Panel	12 March 2024		
Modification Panel decision	21 March 2024		

## 1 Summary

### What

As per our previous Modification UNC 0811: Shipper Agreed Read (SAR) exceptions process, we have identified the need for a process that provides a solution for Erroneous Transfers (ET) that are not being progressed in a timely fashion (greater than 2 months after the Erroneous Transfer was agreed between the parties).

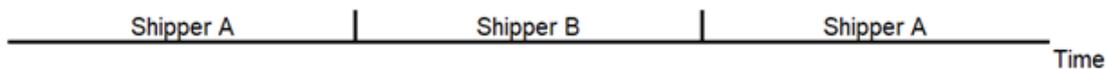
### Why

At the moment the current arrangements can lead to Erroneous Transfers not being processed in a timely fashion (greater than 2 months after the Erroneous Transfer was agreed between the parties). Currently we do not have the capability to definitively resolve these exceptions.

### How

This Modification will provide a remedy for Erroneous Transfers that have failed to be progressed (exceptions) within a reasonable period (greater than 2 months after the Erroneous Transfer was agreed between the parties). This will be managed by the Central Data Services Provider (CDSP).

In the scenario below Shipper B is erroneously Registered and accordingly Shipper A re-registers the Meter Point Reference Number (MPRN).



Shipper A's Supplier wants to continue to bill the Customer for the whole continuous period, as they should not have left. The parties agree to an Erroneous Transfer (ET). To enable this Shipper A needs to reimburse Shipper B for the costs it has incurred. Under an agreed ET Shipper B should send a claim for recovery of the costs to Shipper A and Shipper A should settle that claim.

The exceptions process envisaged would, after a period of time [2 months -TBD], enable Shipper [A and/or B] to request that the Agreed ET is completed within a specified period of time [1 month - TBD] and if it is not completed successfully then Xoserve would intervene and [issue an invoice to Shipper A], upon payment of the invoice, pass that Credit on to Shipper B thus ensuring the ET is fulfilled.

We would envisage a Governance process similar to SAR with the parties who are notified having the opportunity to object with the result that if an objection is raised the ET exception process is cancelled so it would not require judgement from Xoserve.

## 2 Governance

### Justification for Self-Governance

This change is immaterial as it relates to an exceptions process and has limited commercial impact on parties

### Requested Next Steps

This Modification should:

- be considered a non-material change and subject to Self-Governance.
- be issued to Workgroup.

### 3 Why Change?

At the moment the current arrangements can lead to Erroneous Transfers not being processed in a timely fashion and currently we do not have the capability to definitively resolve these.

### 4 Code Specific Matters

#### Reference Documents

UNC TPD Section 9 Unidentified Gas - Allocation Factors and AUGÉ Framework doc, links to relevant REC docs and process.

#### Knowledge/Skills

TBC.

### 5 Solution

Both Shippers should attempt to resolve the Erroneous Transfer (ET) within 2 months after it was agreed. If this has not occurred, then the CDSP can be contacted for resolution.

BR1. The relevant User can request that the Agreed Erroneous Transfer is completed within a specified period of time [30] Supply Point System Business Days (SPSBDs) from the point of the CDSP notification and if it is not completed successfully i.e. the relevant charges have not been paid or rejected as per BR2 then Xoserve (CDSP) would intervene and issue an invoice to the relevant User and upon payment pass that on to relevant User thus ensuring the Erroneous Transfer is fulfilled.

BR2. The relevant non-requesting User will be given [20] Supply Point System Business Days (SPSBDs) from the point of the CDSP notification to reject the Proposed Erroneous Transfer. For the avoidance of doubt, the only valid reason to reject the Proposed Erroneous Transfer is where the non-requesting User believes they have not previously agreed to the Erroneous Transfer.

BR3: Where a valid rejection is raised i.e. the non-submitting User believes they have not agreed the Erroneous Transfer, within the agreed timescale, the Proposed Erroneous Transfer should not be progressed

Guidance for BR3: For the avoidance of doubt, in this circumstance, any further resolution should be managed outside of UNC between the relevant Users.

### 6. Impacts & Other Considerations

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

No.

## Consumer Impacts

What is the current consumer experience and what would the new consumer experience be?

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
Improved safety and reliability	None
Lower bills than would otherwise be the case	None
Reduced environmental damage	None
Improved quality of service Where an Erroneous Transfer has been agreed then providing a definitive and agreed route for resolution delivers a positive outcome for the customer	Positive
Benefits for society as a whole	None

## Cross-Code Impacts

TBD

## EU Code Impacts

None

## Central Systems Impacts

The CDSP will be required to manage Erroneous Transfers exceptions.

## 7. Relevant Objectives

Impact of the Modification on the Transporters' 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.	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 arrangements with other relevant gas transporters) and relevant shippers.	Positive
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 Co-operation of Energy Regulators.	None

The Modification furthers Relevant Objective d) Securing of effective competition: (i) between relevant shippers and (ii) between relevant suppliers as it provides an exception process for Erroneous Transfers to ensure that energy is correctly reconciled between parties.

The Modification is also positive in relation to Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code as currently some Erroneous Transfers are not being actioned in a timely and efficient manner and this proposal will address those situations by providing a suitable remedy.

## 8. Implementation

As Self-Governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised and also subject to any Central System changes needed to deliver the solution.

## 9. Legal Text

### Text Commentary

TBC

### Text

TBC

## 10. Recommendations

### Proposer's Recommendation to Panel

Panel is asked to:

- Agree that Self-Governance procedures should apply.
- Issue this Modification to Workgroup.