

## Stage 02: Workgroup Report

# 0463S:

## Recognition of the '2nd January' Scottish Bank Holiday as a Business Day for Supply Point related transactions

At what stage is this document in the process?



*Currently the '2<sup>nd</sup> January' Scottish Bank Holiday is a non Business Day for Processes defined in Section G and M, otherwise it is a Business day for other processes. It is proposed that this day is recognised as a Business Day in order to minimise the number of non Business days.*



The Workgroup recommends that this self-governance modification should now proceed to consultation.



High Impact:  
None



Medium Impact:  
None



Low Impact:  
Shippers and Transporters

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## About this document:

This report will be presented by the Workgroup to the panel on 17 October 2013.

The panel will consider whether the modification is sufficiently developed to proceed to Consultation and to submit any further recommendations in respect of the definition and assessment of this self-governance modification.

	
<b>Any questions?</b>	<b>3</b>
Contact: <b>Code Administrator</b>	<b>4</b>
 <b>enquiries@gasgovern ance.co.uk</b>	<b>6</b> <b>7</b>
 <b>0121 288 2107</b>	<b>8</b>
Proposer: <b>Anne Jackson</b>	<b>8</b>
 <a href="mailto:anne.jackson@sse.co.uk"><b>anne.jackson@sse.co m</b></a>	
 <b>07500 912807</b>	
Licence Holder: <b>Scotia Gas Networks</b>	
 <b>email address.</b>	
 <b>telephone</b>	
Systems Provider: <b>Xoserve</b>	
 <a href="mailto:commercial.enquiries@xoserve.com"><b>commercial.enquiries @xoserve.com</b></a>	
Additional contacts: <b>David Addison</b>	
 <a href="mailto:david.addison@xoserve.com"><b>david.addison@xoserv e.com</b></a>	
 <b>07886 856590</b>	

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# 1 Summary

## Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification.

## Why Change?

An EU Directive was recently introduced to ensure that customers wishing to change Supplier may do so within three weeks – i.e. 21 calendar days. Standard Conditions of a Gas Supply Licence were amended as a result of this to add Standard Condition 14A Customer Transfer; ‘Obligation to complete a Supply Transfer within Three Weeks’

UNC Modification 0403 was approved to help facilitate the EU Directive. In order to meet the 21 calendar day switching requirement, a fixed 7 Business Day confirmation window was retained, and a flexible objection period introduced with a maximum of 7 Business Days. Flexibility was required where one or more Bank Holidays appeared in the 21 day window, and for every Bank Holiday the objection window is reduced commensurately.

Removal of the 2<sup>nd</sup> January ‘Scottish Bank Holiday’ as a Bank Holiday for system purposes would enable an additional day within the objection window at the time of greatest constraint.

## Solution

By removal of the ‘2<sup>nd</sup> January’ Bank Holiday for SPA system purposes will mean that within the ‘normal’ Bank Holiday calendar – i.e. no extraordinary additional Bank Holidays e.g. jubilees and royal weddings – there will only ever be a maximum of three non Business Days in a 21 calendar period.

Section G is explicit that this particular Bank Holiday is observed. It is proposed that this reference be removed, and that this day be treated as a Business Day in 2014.

Where a manual process is required, this Bank Holiday shall still be observed.

## Relevant Objectives

It is expected that this will have a positive effect on (d) Securing of effective competition. This modification has positive impacts upon competition, as it will have a consequential benefit in that the objection window will be less constrained by Bank Holidays, allowing a greater opportunity to conduct an appropriate objection assessment.

## Implementation

As this is a self-governance modification, implementation could be sixteen business days after a Modification Panel decision to implement. However, the Transporters Agency has indicated that the impact on them is expected to be low. As such it is an aspiration that this modification is implemented for the 2<sup>nd</sup> January, Scottish bank holiday in 2014.

## 2 Why Change?

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Removal of this non Business Day for system purposes would eliminate the circumstance where 4 non Business Days could exist within a consecutive 21 calendar day period, under such circumstances the Objection window would be reduced to 2 full Business Days. This would mean that the Objection window should, in normal system operation, allow a minimum of 3 Business Days.

Current illustration:

Illustration 5 – 21 day window with four Bank Holidays

ENGLAND & WALES		CD	SCOTLAND		Day Type
18/12/2011	Sunday		18/12/2011	Sunday	Week End
19/12/2011	Monday		19/12/2011	Monday	Business Day
20/12/2011	Tuesday		20/12/2011	Tuesday	Business Day
21/12/2011	Wednesday		21/12/2011	Wednesday	Business Day
22/12/2011	Thursday		22/12/2011	Thursday	Business Day
23/12/2011	Friday	RQ	23/12/2011	Friday	Business Day
24/12/2011	Saturday	D-19	24/12/2011	Saturday	Week End
25/12/2011	Sunday	D-18	25/12/2011	Sunday	Week End
26/12/2011	Monday	D-17	26/12/2011	Monday	Bank Holiday
27/12/2011	Tuesday	D-16	27/12/2011	Tuesday	Bank Holiday
28/12/2011	Wednesday	D-15	28/12/2011	Wednesday	Business Day
29/12/2011	Thursday	D-14	29/12/2011	Thursday	Business Day
30/12/2011	Friday	D-13	30/12/2011	Friday	Business Day
31/12/2011	Saturday	D-12	31/12/2011	Saturday	Week End
01/01/2012	Sunday	D-11	01/01/2012	Sunday	Week End
02/01/2012	Monday	D-10	02/01/2012	Monday	Bank Holiday
03/01/2012	Tuesday	D-9	03/01/2012	Tuesday	Scottish Bank Holiday
04/01/2012	Wednesday	D-8	04/01/2012	Wednesday	Business Day
05/01/2012	Thursday	D-7	05/01/2012	Thursday	Business Day
06/01/2012	Friday	D-6	06/01/2012	Friday	Business Day
07/01/2012	Saturday	D-5	07/01/2012	Saturday	Week End
08/01/2012	Sunday	D-4	08/01/2012	Sunday	Week End
09/01/2012	Monday	D-3	09/01/2012	Monday	Business Day
10/01/2012	Tuesday	D-2	10/01/2012	Tuesday	Business Day
11/01/2012	Wednesday	D-1	11/01/2012	Wednesday	Business Day
12/01/2012	Thursday	SSD	12/01/2012	Thursday	Business Day
13/01/2012	Friday		13/01/2012	Friday	Business Day

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Proposed calendar illustration:

Illustration 5 – 21 day window with three Bank Holidays

ENGLAND & WALES		CD	BD	SCOTLAND		Day Type
18/12/2011	Sunday			18/12/2011	Sunday	Week End
19/12/2011	Monday			19/12/2011	Monday	Business Day
20/12/2011	Tuesday			20/12/2011	Tuesday	Business Day
21/12/2011	Wednesday			21/12/2011	Wednesday	Business Day
22/12/2011	Thursday			22/12/2011	Thursday	Business Day
23/12/2011	Friday	RO 21	RQ	23/12/2011	Friday	Business Day
24/12/2011	Saturday	D 20		24/12/2011	Saturday	Week End
25/12/2011	Sunday	D 19		25/12/2011	Sunday	Week End
26/12/2011	Monday	D 18		26/12/2011	Monday	Bank Holiday
27/12/2011	Tuesday	D 17		27/12/2011	Tuesday	Bank Holiday
28/12/2011	Wednesday	D 16	Obj	28/12/2011	Wednesday	Business Day
29/12/2011	Thursday	D 15	Obj	29/12/2011	Thursday	Business Day
30/12/2011	Friday	D 14	Obj	30/12/2011	Friday	Business Day
31/12/2011	Saturday	D 13		31/12/2011	Saturday	Week End
01/01/2012	Sunday	D 12		01/01/2012	Sunday	Week End
02/01/2012	Monday	D 11		02/01/2012	Monday	Bank Holiday
03/01/2012	Tuesday	D 10	D-7	03/01/2012	Tuesday	Business Day
04/01/2012	Wednesday	D 9	D-6	04/01/2012	Wednesday	Business Day
05/01/2012	Thursday	D 8	D-5	05/01/2012	Thursday	Business Day
06/01/2012	Friday	D 7	D-4	06/01/2012	Friday	Business Day
07/01/2012	Saturday	D 6		07/01/2012	Saturday	Week End
08/01/2012	Sunday	D 5		08/01/2012	Sunday	Week End
09/01/2012	Monday	D 4	D-3	09/01/2012	Monday	Business Day
10/01/2012	Tuesday	D 3	D-2	10/01/2012	Tuesday	Business Day
11/01/2012	Wednesday	D 2	D-1	11/01/2012	Wednesday	Business Day
12/01/2012	Thursday	SRD 1	SRD	12/01/2012	Thursday	Business Day
13/01/2012	Friday			13/01/2012	Friday	Business Day

Some Transporter processes, such as referrals, require manual intervention. Therefore, it is proposed that this bank Holiday would continue to be observed for such purposes.

### 3 Solution

It is proposed that the explicit reference to the first business day following the 1<sup>st</sup> January 'as set out in TPD Section G 1.10.1 (b) be removed.

It is also necessary to waive the requirement set out in TPD G 1.10. 2 for the Transporters to no later than 30 September each year provide a list of Days, which are not Business Days.

It is proposed that the distinction be retained between the rest of the UNC and Sections G and M. This may retain the flexibility to define separate non Business Days for such sections, as has been considered previously.

#### User Pays

Classification of the modification as User Pays, or not, and the justification for such classification.

This is classed as a User Pays Modification as it is likely to amend central systems. However, minimal costs are anticipated to Transporter systems.

Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.

100% Users.

Proposed charge(s) for application of User Pays charges to Shippers.

To be determined.

Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

To be determined.

## 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.	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.	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

### Impacts to Relevant Objectives

This modification should have positive impacts to (d) Securing of effective competition as by adding an additional Business Day at its most constrained period this will provide greater opportunity to Shippers and Suppliers to appropriately assess Withdrawal notices in the Objection period – reducing the potential for inappropriate objection notices or transfers. Any such erroneous actions would be likely to reduce the efficiency of the Change of Shipper process, impeding competition in the gas market.

## 5 Implementation

No implementation timescales are proposed. The Transporters Agency has indicated that there would be no impact on them to meet a January 2015 implementation timeline. However, implementation by January 2014 requires further assessment. As such it is an aspiration that this modification is implemented for the January 2nd, Scottish bank holiday in 2014.

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## 6 Legal Text

### Text

No issues were raised with regards to the text prepared by Scotia Gas Networks (published alongside this Workgroup Report)

## 7 Recommendation

The Workgroup invites the Panel to:

- AGREE that this self-governance modification should be submitted for consultation.