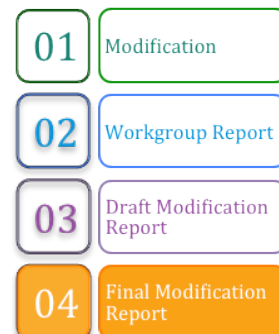


Stage 04: Final Modification Report

0467:

Project Nexus - iGT Single Service Provision; data preparation

At what stage is this document in the process?



This Modification seeks to require the independent Gas Transporters (iGTs) to participate in the preparation of iGT data to enable implementation of the iGT 'single service provision' arrangements identified within UNC Modification 0440 Project Nexus - iGT Single Service Provision.



Panel consideration is due on 21 August 2014



High Impact: -



Medium Impact: iGTs and Shippers



Low Impact: -

0467

Modification Report

21 July 2014

Version 1.0

Page 1 of 9

© 2014 all rights reserved

Contents

1	Summary	3
2	Why Change?	3
3	Solution	4
4	Relevant Objectives	6
5	Implementation	7
6	Legal Text	7
7	Consultation Responses	7
8	Panel Discussions	9
9	Recommendation	9

About this document:

This Final Modification Report will be presented to the Panel on 21 August 2014.

The Authority will consider the Panel's recommendation and decide whether or not this change should be made.



Contact:
Code Administrator



enquiries@gasgovernance.co.uk



0121 288 2107

Proposer:
Chris Warner



Chris.Warner@nationalgrid.com



07778 150668

Transporter:
National Grid

Systems Provider:
Xoserve



commercial.enquiries@xoserve.com

Additional contacts:
Andy Miller



Andy.J.Miller@Xoserve.com



0121 623 2348

0467

Modification Report

21 July 2014

Version 1.0

Page 2 of 9

© 2014 all rights reserved

1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is not a self-governance modification as it is likely to have a material impact on competition and iGTs.

Why Change?

The delivery of the changes to the UK-Link systems necessary to support implementation of UNC Modification 0440 is dependent upon data received from iGTs. Amending the LDZ CSEP NExA Annex A would create an obligation on the iGTs to participate in the data preparation activity required to implement changes to UK Link systems within the remit of Project Nexus.

Solution

Amendment is required to the Annex A of the LDZ CSEP NExA to require iGTs to participate in a data preparation exercise to enable implementation of UNC Modification Proposal 0440.

Relevant Objectives

Implementation of this modification can be expected to facilitate GT Licence 'relevant objective' (d).

Implementation

No implementation date has been proposed. The costs incurred by Xoserve to implement this modification are expected to be in the range of £400,000 - £650,000.

2 Why Change?

The timely delivery of the changes to UK-Link systems necessary to support implementation of UNC Modification 0440 is dependent upon the receipt of relevant data by Xoserve from iGTs. Amending the LDZ CSEP NExA Annex A would create an obligation on the iGTs to participate in the data preparation activity required for implementation of the new CSEPs regime proposed under UNC Modification 0440. This is commonly termed 'iGT CSEP Single Service Provision'.

Creating this obligation would facilitate completion of the data preparation exercise upon which implementation of UNC Modification 0440 is dependent.

¹ [UNC Modification Proposal 0440](#)

¹ [LDZ CSEP NExA Annex A](#)

3 Solution

The UNC identifies the method by which Annex A of the LDZ CSEP NExA is modified¹.

It is proposed to modify Annex A to set out an obligation on iGTs to participate in the data preparation exercise for Project Nexus. The proposed amendments are as follows:

ANNEX A PART 14 Data Provision

1. Definitions

1.1 For the purposes hereof:

- a. **"iGT Licence Data"** means the details of:
 - (i) The CSO (being the company name, company number, address and up-to-date contact details); and
 - (ii) CSO Licence (being the name of the licence holder, company number, address, up-to-date contact details and licence short code)
- b. **"iGT Supply Point Register Data" or "iGTSPRD"** means the:
 - (i) CSEP and associated information; and
 - (ii) Supply Meter Point information, including but not limited to:
 - (1) Supply Meter Point Reference Number
 - (2) address details
 - (3) Annual Quantity
 - (4) Meter Information
 - (5) Meter Reading
 - (6) User and supplier information
- c. **"Relevant Modifications"** means:
 - (i) Modification 0440 to the Uniform Network Code entitled, "Project Nexus - iGT Single Service Provision"; and
 - (ii) Modification 039 to the CSO Network Code entitled "Use of a single Gas Transporter Agency for the common services and systems and processes required by the iGT UNC".

2. Provision of iGTSPRD

- 2.1 The CSO shall submit to the Transporter Agency its complete iGTSPRD dataset in an electronic format (such format to be agreed between the CSO and the Transporter Agency) on or before 15 January 2015.
- 2.2 Unless otherwise agreed between the CSO and the Transporter Agency, the CSO shall submit an update of the iGTSPRD to the Transporter Agency:
- a. on a monthly basis for the months of February, March and April 2015;
 - b. on a weekly basis for the months of May, June, July and August 2015; and
 - c. on a daily basis from 1st September 2015 until such times that the Relevant Modifications are implemented.
- 2.3 In the event of the transfer of a CSEP the CSO shall notify the Transporter Agency within 2 Business Days of such transfer being effective.

3. Provision of the iGT Licence Data

- 3.1 The CSO shall submit to the Transporter Agency (in a format to be agreed between the CSO and the Transporter Agency) its iGT Licence Data on or before 15 January 2015.

0467

Modification Report

21 July 2014

Version 1.0

Page 4 of 9

© 2014 all rights reserved

¹ [TPD Section J4.3.6 & 6.4.1](#)

3.2 The CSO shall submit to the Transporter Agency any changes to the iGT Licence Data within 2 Business Days of such change.

4. Preparing the iGT data

4.1 National Grid, Wales and the West Utilities, Scotland Gas Networks and Southern Gas Networks, Northern Gas Networks *delete as appropriate* shall procure that the Transporter Agency shall use the iGTSPRD and iGT Licence Data to prepare the required iGT data in readiness for the implementation of the Relevant Modifications. National Grid, Wales and the West Utilities, Scotland Gas Networks and Southern Gas Networks, Northern Gas Networks *delete as appropriate* shall procure that the Transporter Agency shall provide to CSEP Users on a monthly basis (or more frequently if required) portfolio reports of the iGT data.

User Pays

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

This is a non-code User Pays modification. This modification would lead to an activity that requires funding but is not funded by the GTs

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.

Users would be the beneficiaries of the service. 100% of service costs to be charged to Users

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

The charging basis is as follows:

In proportion to each Users market share of iGT Supply Points as measured on the date of implementation.

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

Expected to be within the range £400,000 to £650,000

The purpose of this modification is to require iGTs to participate in the data preparation exercise required as a pre-requisite for implementation of the regime proposed under UNC Modification 0440. This data preparation exercise would incur costs for the Transporters agent, Xoserve and it is proposed that these costs be recovered from the relevant Users. The costs expected to be incurred by Xoserve are in the range of £400,000 - £650,000. The intention is to create an iGT data preparation service in the Services Schedule for the Provision of Non-Code User Pays Services, with an associated charge in the Agency Charging Statement (ACS). The proposed charging basis would be based upon each Users market share of Supply Points on iGT networks. The charges may be in two parts; the first part being the build of the preparation database and the second after the completion of the data preparation event when the data is migrated to the target system for live operation.

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

Implementation of this modification is necessary to ensure unimpeded preparatory work to enable introduction of the new UNC CSEPS regime advocated by UNC Modification 0440. This is a component of the 'transitional' suite of UNC modifications necessary to ensure implementation of 'Project Nexus' and therefore furthers relevant objective d) by facilitating securing effective competition between Shippers.

The arrangements proposed to be implemented under Project Nexus are expected to facilitate GT Licence relevant objective 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.

5 Implementation

No implementation timescales are proposed. Implementation is to be aligned with the Project Nexus Implementation date and that of Modification 0440 - Project Nexus – iGT Single Service Provision.

6 Legal Text

Text

The Modification Panel requested Text at the October 2013 meeting. Text has been prepared by National Grid Distribution and is published alongside this Draft Modification Report. No issues were raised by the Workgroup regarding its content.

7 Consultation Responses

Of the 8 representations received implementation was unanimously supported

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
British Gas	Support	d - positive	<ul style="list-style-type: none">This modification places the correct obligation on iGTs to work with the main Gas Transporters, shippers and suppliers, to ensure the successful delivery of a new centralised industry platform and settlements regime. British Gas supports this change as they believe it is a critical element for the successful delivery of the holistic industry changes and the co-ordinated IGT Agency Services, which will drive benefits to IGTs, Transporters, shippers and their supply customers.The costs of this change have already been incorporated into the wider Nexus project.British Gas note an implementation date is not provided however the first data extract from iGTs is required for January 2015.From Workgroup discussions British Gas understand that under the solution Section 2.2 the data provisions to the TSO crank-up over time. They believe these accelerated timescales could be challenging for some of the smaller parties and therefore flexibility with these dates needs to be exercised. This consideration does not change the position, that in principle they support this change.
Dong Energy	Support	d - positive	<ul style="list-style-type: none">This modification is essential to enable preparation of iGT data prior to implementation of Single Service Provision under UNC modification 0440.

EDF Energy	Support	d – positive	<ul style="list-style-type: none"> • Presents an opportunity of creating consistent data between the independent gas transporters and the GDNs which is crucial to ensure the accuracy of energy allocation across the gas network. If data is not cleansed and prepared prior to migration into the new UK Link system proposed under Project Nexus then this will adversely impact the new processes going forward and so lead to a reduction of the perceived benefits of the new settlements regime. • This Modification will ensure that if UNC Modification 0440 and IGT UNC Modification 039 are implemented on 01 October 2015 then it will create an efficient starting point of Single Service Provision to allow iGT meter points to be treated like directly connected meter points. Good quality data will also help with the rollout of smart metering by ensuring that there is consistent data across central systems. • Support prompt implementation which should be no later than 15 January 2015 to enable the first reports to be sent out, although earlier could assist iGTs to make sure adequate resources are deployed and data improvements can be made as soon as possible.
E.ON	Support	f – positive	<ul style="list-style-type: none"> • Project Nexus changes introduces settlement reform that cannot be achieved for iGT Supply Points unless they are integrated into the common Agency system. This modification looks to ensure the data is prepared and any missing or inaccurate data is resolved before the cut-over to the replacement UK Link system. • Encourage visibility of progress of the data preparation work being made available to industry stakeholders via the Data Cleansing activity being overseen by the UK Link Industry Engagement Forum. This will help instil a level of confidence in industry readiness.
National Grid Distribution	Support	d – positive	<ul style="list-style-type: none"> • Strongly advocate the 'single service provision (SSP)' component of Project Nexus and view implementation of this Modification as an important pre-requisite for implementation of the new arrangements for iGT SSP.
RWE npower	Support	d – positive	<ul style="list-style-type: none"> • Consider that the provision of data by the iGTs is a key deliverable to enable the implementation of UK Link changes in line with UNC Modification 0440. • Early implementation would be helpful. This would enable the iGTs data preparation work to get underway as soon as possible and allow any queries or issues to be resolved in good time.

Scottish Power	Support	d - positive	<ul style="list-style-type: none"> • Believe the modification is an essential component in the delivery of the benefits case associated with Modification 0440 - IGT CSEP Single Service Provision. • It is imperative the iGTs are engaged in the process of aligning data prior to the UK Link replacement system. • Wish for it to be clear that costs incurred should only be those directly associated with undertaking this data preparation work and should not extend to include those associated with any additional or remedial work being carried out by iGTs/GTs to cleanse data. • If the modification is not implemented the extensive work that is being carried out in the industry to cleanse data and align datasets, will be diminished alongside the benefits to the customer that the implementation of the Single Service Provision will deliver. • Anticipate that there will be an element of additional work (for all Shippers) following implementation of this Modification to ensure that cleansed data is uploaded and populated onto the new centralised system. However at this stage, there were unable to quantify the extent of this additional work. • Seek an early implementation date, to ensure that there are suitable timescales to allow all Shippers to validate the outputs of the data preparation exercise and to raise any queries with the iGT directly. This should also ensure that there is sufficient time available to resolve any issues before the UK Link system replacement Go – Live date.
SSE	Support	d - positive	<ul style="list-style-type: none"> • This modification places obligations on iGTs to provide the relevant data to Xoserve that is required in order to support the implementation of Modification 0440. Xoserve currently do not have this data, which is integral to the success of iGT single service provision under Project Nexus and will allow iGTs to utilise the services of Xoserve to administer relevant Supply Points downstream of the Connected Systems Exit Points. • Implementation of single service provision will bring significant benefits to the Gas Industry.

Representations are published alongside the Final Modification Report.

8 Panel Discussions

9 Recommendation

Panel Recommendation

Having considered the Modification Report, the Panel recommends:

- that proposed Modification 0467 [should/should not] be made.

0467

Modification Report

21 July 2014

Version 1.0

Page 9 of 9

© 2014 all rights reserved