Stage 01: Modification

At what stage is this document in the process?

01 Modification

02 Workgroup Report

03 Draft Modification Report

04 Final Modification Report

0532:

Implementation of Non Effective Days (Project Nexus transitional modification)

This Modification Proposal identifies arrangements relating to the requirement for 'non-effective days' to enable an orderly and efficient transition from current UNC arrangements to the UNC regime identified with UNC Modifications 0432, 0434 and 0440

The Proposer recommends that this Modification should be:

- assessed by a Workgroup

High Impact: Large Transporters and Shipper Users

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About this document:

This modification will be presented by the proposer to the panel on 19th March 2015.

The panel will consider the proposer's recommendation and agree whether this modification should be:

- referred to a workgroup for assessment.

The Proposer recommends the following timetable:

Initial consideration by Workgroup	25 March 2015
Amended Modification considered by Workgroup	n/a
Workgroup Report presented to Panel	18 June 2015
Draft Modification Report issued for consultation	18 June 2015
Consultation Close-out for representations	09 July 2015
Final Modification Report published for Panel	10 July 2015
UNC Modification Panel decision	16 July 2015

Any questions?

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1 Summary

Is this a Self-Governance Modification?

Self-Governance procedures are not requested as this Modification is expected to have a material impact on existing and new gas consumers and competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes. This is because the consequences of the implementation of non-effective days are that the transfer of Shipper User registration timescales would be longer than normal.

Is this a Fast Track Self-Governance Modification?

Fast track procedures are not requested for the reasons described above.

Why Change?

As part of the UK-Link Replacement programme, UNC Modifications 0432, 0434 and 0440 will be implemented on 01 October 2015. To enable a smooth and efficient transition to the new supporting systems it is necessary to set out terms within the UNC Transition Document which identify the dates when the UK-Link systems will be taken off-line and will therefore not be available for normal systems transactions as identified within the UNC.

Solution

Modification of the UNC is required to identify and incorporate [x] 'non-effective days' within the UNC Transition Document.

Relevant Objectives

This Modification is required to enable implementation of the UK-Link Replacement programme. The measures identified can therefore be expected to facilitate relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code.

Given that the effect of the Modification would be to extend the timescales for transfer of Shipper User within the transition period there could be a minor negative effect on competition between Shippers. This Modification therefore does not facilitate relevant objective d) Securing of effective competition between Shipper Users.

Implementation

No implementation timescales are proposed. However, this Modification could be implemented upon direction and it would be desirable if this Modification were implemented by 01 August 2015 to add certainty to the transition process for UK-Link replacement.

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

This Modification Proposal impacts the industry programme for replacement of UK-Link systems. This is because it is necessary to make provision in the UNC for activities (such as those associated with Supply Point Administration) where non-availability of the UK-Link system has a direct consequences for Shipper Users, Suppliers and ultimately consumers.

It is essential to the success of the UK Link Replacement Programme.

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2 Why Change?

A number of UNC ‘non-effective days’ are required to facilitate 'cutover' to the new systems being introduced by the Transporters Agency, Xoserve under the UK-Link replacement programme.

For the purposes of clarity it is important to distinguish a non-effective day from a non-Business Day'. A non-Business Day is reflected within the exceptions described within TPD Sections G1.10 - i.e. those Days which are other than a Business Day. Shipper Users may continue to submit Supply Point Administration (SPA) files on non-Business Days but any such files would not be processed. In contrast, all UK-Link systems activity concerned with TPD Sections G and M, in particular that associated with updates to the Supply Point Register is suspended on a non-effective day.

To enable implementation of the UK-Link replacement programme on 01 October 2015 it is essential that a number of non-effective days are introduced to the UNC Transition Document.

This Modification Proposal is one of a suite of ‘complementary’ proposals, the others being associated with Supply Point Administration, gas settlement & reconciliation, Annual Quantity (AQ) ‘backstop’ Meter Readings and Retrospective Adjustment.

The changes within this Proposal were previously contained within UNC Modification Proposal 0528. It was subsequently identified during Workgroup discussion that there is some uncertainty as to when the required non-effective days will be known and the effects implementation of such would have on Shippers, Suppliers and consumers. Consequently to avoid unnecessary delay to development and approval of Modification 0528, the Proposer has decided to remove this component from Modification Proposal 0528.

3 Solution

Modification of the UNC is required to identify and incorporate a number of ‘non-effective days’ within the UNC Transition Document.

Non-effective days constitute UNC non-Business Days but with the following additional features:

- No Supply Point Confirmations can be submitted or become effective.
- No revision of the Supply Point Register can be made.
- The non-effective days are expected to apply to UNC TPD Sections G and M. None of the following Code Communications may be made: Supply Point Nomination, Supply Point Offer, Supply Point Confirmation, Supply Point Objection, Supply Point Withdrawal, request for Isolation, application to increase or reduce Supply Point Capacity or Supply Point Offtake Rate NDM Meter Reading and Meter Information Notifications and Meter Information Update Notifications.
- No communication (under the Code or any other contract between the Transporters and Users) pursuant to which Transporter would be required to revise the Supply Point Register (being the Sites and Meters database), may be made.
- Daily Metered ‘mandatory site’ (DMM) liability relief.

The non-effective days are [x] 2015. These will all be prior to 01 October 2015.

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User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	Costs arising from the UK Link replacement and including enhancements to the existing UNC regime have been considered when price controls were set and funding provided. On this basis, no User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
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.	Not applicable
Proposed charge(s) for application of User Pays charges to Shippers.	Not applicable
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	Not applicable

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.	Negative
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

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This Modification is required to enable implementation of the UK-Link Replacement programme (including the arrangements identified within Project Nexus UNC Modifications 0432, 0434 and 0440). The measures identified can therefore be expected to facilitate relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code.

Given that the effect of the Modification would be to extend the timescales for transfer of Shipper User, within the transition period there could be a minor negative effect on competition between Shippers. This Modification therefore does not facilitate relevant objective d) Securing of effective competition between Shipper Users.

5 Implementation

No implementation timescales are proposed. However, this Modification could be implemented upon direction and it would be desirable if this Modification were implemented by 01 August 2015 to add certainty to the transition process for UK-Link replacement.

6 Impacts

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

This Modification is essential to the implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus). The rationale for this is explained below.

Pre Project Nexus Implementation

The changes will affect the UK Link Replacement programme prior to implementation. This is because it is necessary for the purposes of the lead period to 'cut over' to new systems that the UK-Link system is suspended.

Project Nexus Implementation

It is essential that clarity is forthcoming regarding the application of 'non-effective days for systems 'cut over' in the period up to the Project Nexus Implementation Date.

Post Project Nexus Implementation

This Modification contains transitional terms and the obligations which will expire over time.

7 Legal Text

Text

Legal Text and commentary will be provided at an appropriate point during assessment at Workgroup.

8 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should not be subject to self-governance; and
- Progress to Workgroup assessment.

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