

Modifications 0428 and 0432: Nexus Implementation Date clarification

Dear UNC Modification Panel member,

We have become aware of some confusion arising from the defined terms present in the UNC concerning Project Nexus implementation. The uncertainty has arisen as a consequence of UNC Modifications 0428 'Single Meter Supply Points' and 0432 'Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform' and the interaction of legal text concerned with these. The situation has been somewhat exacerbated given the industry decision to seek deferral of implementation of Project Nexus to 2016.

The following description hopefully explains the situation:

UNC Transition Document (TD) Part II Section 13 currently identifies and defines the '**Project Nexus Go-Live Date**'. This is as follows: (b) the "**Project Nexus Go Live Date**" is [the date of implementation of Modifications 432, 434 and 440].

This is the only text in the existing UNC document which at present refers to Project Nexus. This pertains to Modification 0428 only and the term was introduced under this Modification. Of note are the square brackets in the text. Ideally square brackets should not be in UNC but in this case they are.

A separate and distinct defined term being the '**Project Nexus Implementation Date**' was introduced by UNC Modification 0432. The Modification has been approved by Ofgem and the text is awaiting incorporation in UNC once the Modification is implemented.

The Modification 0432 legal text states:

TRANSITION DOCUMENT

PART II C - TRANSITIONAL RULES

13 Transition to Single Supply Meter Point Regime

13.1.1 For the purposes of paragraph 13, 14 and 15

(b) the "**Project Nexus Go Live Date**" is 1 October 2015 or such other date as may be determined by the Uniform Network Code Committee; ¹

¹Original text added by Modification 0428.

Of note, the previous text reference i.e. [the date of implementation of Modifications 432, 434 and 440] has been deleted.

The Modification 0432 text also states:

GENERAL TERMS

Section C - Interpretation

"**Project Nexus Implementation Date**" is 1 October 2015 or such other date as may be determined by the Uniform Network Code Committee; ²

²Use of term to be considered in context of transitional rules for Modifications 0432, 0434, 0440 and 0453 once developed.

When the lawyers prepared legal text for Modification 0432 they recognised that a distinction between the two terms needed to be made (given that Modification 0428 had no direct association with Project Nexus) and therefore included this.

All Project Nexus related UNC Modification text (including such prepared for Nexus transition) refers to this defined term (not the 'Go-Live' term). Consequently while the use of the terms are understandably confusing, there is no legal ambiguity.

Notwithstanding that Modification 0432 has not yet been implemented, the relevant text in the Modification as approved by Ofgem is that which prevails.

I hope this clarification is helpful.

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Ends.

Regards,

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