

NEXUS TRANSITION - MODIFICATION 0528 - LEGAL DRAFTING - EXPLANATORY TABLE
TRANSITION DOCUMENT

Notes

1. This table is based on the draft legal text for Modification 0528 published on the Joint Office website on [].
2. The legal text introduces the 'core' legal text for the Project Nexus transitional arrangements. The text will appear in a new Part IIE of the TD, which will house all the Project Nexus transitional arrangements.
3. At the time the legal text for the Project Nexus transitional arrangements under Modifications 0514 and 0515 was developed the 'core' Modification was still being developed. Accordingly, the legal text for these two Modifications (to be added to TD Part IIC) will be deleted, and replacement legal text, consistent with the 'core' drafting, will be included in the text for Modification 0528.
4. The legal text for Modification 0528 will be updated by the legal text introduced under Modifications 0527 and 0529.

Transition Document Part IIE	Topic	BRDs	Explanation
General			
1.1	Introduction	-	<p>Explains that Part IIE houses the transitional arrangements relating to changes to the TPD connected with Project Nexus.</p> <p>New definitions have been developed to help with the drafting, these include:</p> <ul style="list-style-type: none"> - Nexus Modifications, i.e. Modifications 0432 and 0434; - Old Rules which are, in relation to provisions of the Code which are changed by the

			<p>Nexus Modifications, the rules that applied <u>before</u> the changes under the Nexus Modifications;</p> <ul style="list-style-type: none"> - New Rules being the provisions of the Code as they apply <u>following</u> the changes under the Nexus Modifications; - Implementation Date is the Project Nexus Implementation Date; (i.e. 1 October 2015); and - Last Pre-Nexus Day is the Day before the Implementation Date, i.e. the last Gas Flow Day in relation to which the Old Rules apply; <u>and</u> - <u>M(NID) means the Month in which the Implementation Date falls, and M(NID) + or - n means the nth Month before or after M(NID).</u>
1.2	Part IIE terminology and interpretation	-	Sets out some rules on interpretation for Part IIE, including how to interpret references to the Old Rules and New Rules and how to interpret defined terms used in the Old Rules, the New Rules (or in both the Old Rules and the New Rules).
1.3	Modification on a Gas Flow Day basis	-	<p>In some cases the New Rules are expressed to come into effect from the Implementation Date on a Gas Flow Day basis. This means the New Rules only apply in relation to <u>gas flows</u> on or after the Implementation Date, so where something can be (or is) done:</p> <ul style="list-style-type: none"> - in advance of the Gas Flow Day, the New Rules apply notwithstanding the relevant activity can be (or is) to be done before the Implementation Date; - after the Gas Flow Day, the Old Rules will apply after the Implementation Date in relation to the relevant activity for Days before the Implementation Date.
1.4	Carry across rule	-	Where in relation to a SMP or SP a condition or other requirement (under an Old Rule) is satisfied on the Last Pre-Nexus Day the default rule is that where the condition or requirement also applies under the New Rules, it will be treated as being satisfied with effect from the Implementation Date.
Section C			
2	Forecast User LDZ Unidentified Gas and	MOD432	The New Rules on determining the Forecast User LDZ Unidentified Gas and deemed NDM Output Nominations will apply on a Gas Flow Day basis.

	NDM Output Nominations		
Section E			
3.1	User LDZ Unidentified Gas, Information Days and Daily Imbalance	7.8	The New Rules in relation to User LDZ Unidentified Gas, Information Days and the calculation of Users Daily Imbalances are to apply on a Gas Flow Day basis.
3.2.1	SMPs subject to Offtake reconciliation	7.4	<p>Offtake Reconciliation will be carried out in respect of all SMPs under the New Rules, and:</p> <ul style="list-style-type: none"> - for SMPs which were Individually-Reconciled under the Old Rules, reconciliation will be by reference to Valid Meter Readings submitted after the Implementation Date, including where the Read Date was before the Implementation Date; - for SMPs which were not Individually-Reconciled under the Old Rules, reconciliation will be by reference to Valid Meter Readings with a Read Date after the Implementation Date. <p>An Individually-Reconciled SMP is an SMP which was subject to Individual Reconciliation in accordance with the Old Rules, i.e. old TPD Section E1.3.1.</p>
3.2.2	Switching off DM Reconciliation, Individual CSEP Reconciliation and Individual NDM Reconciliation	-	As a consequence of paragraph 3.2.1, DM Reconciliation, Individual CSEP Reconciliation and Individual NDM Reconciliation will no longer be carried out after the Implementation Date (as each process is now covered by the generic rules for Offtake Reconciliation).

3.2.3	Offtake reconciliation	-	<p>To assist with the transitional rules in relation to a reconciliation which straddles the Implementation Date some specific definitions are included:</p> <ul style="list-style-type: none"> - Transitional Offtake Reconciliation, is an Offtake Reconciliation where the Implementation Date occurs during the Reconciliation Metered Period; - First Period and Second Period are the two parts of the Reconciliation Metered Period, the first ending on the Last Pre-Nexus Day and the second starting on the Implementation Date.
3.2.4	Transitional Offtake Reconciliation: SMP is Individually-Reconciled	-	<p>Confirms that for a Transitional Offtake Reconciliation for a SMP which is an Individually-Reconciled SMP:</p> <ul style="list-style-type: none"> - the New Rules apply in relation to the entire Reconciliation Metered Period (whether before or after the Implementation Date); - in order to be able to apply the Aggregate NDM Reconciliation rules and the Unidentified Gas Reconciliation rules during the First and Second Period, the Reconciliation Quantity and Reconciliation Clearing Value will be split between the First and Second Periods.
3.2.5	Transitional Offtake Reconciliation: SMP is not Individually-Reconciled	-	<p>For a Transitional Offtake Reconciliation for a SMP which is not Individually-Reconciled the New Rules apply only in relation to the Second Period.</p>
3.3.1	Unidentified Gas Reconciliation under the New Rules	7.4	<p>For the purposes of Unidentified Gas Reconciliation, the Unidentified Gas Reconciliation Period is back-stopped by the Implementation Date, so it will ratchet up, month by month, over the first year after the Implementation Date, and will only be 12 months in duration in respect of the Reconciliation Billing Period which follows the first anniversary of the Implementation Date.</p>
3.3.2	Transitional Offtake Reconciliation: Unidentified Gas Reconciliation	7.4	<p>Where a Transitional Offtake Reconciliation is undertaken during the Reconciliation Billing Period only the Reconciliation Quantity and Reconciliation Clearing Value for the Second Period will feed into the Aggregate Reconciliation Quantity and Aggregate Reconciliation Clearing Value (as these terms are defined under the New Rules) when running the</p>

			Unidentified Gas Reconciliation calculation for the Reconciliation Billing Period.
3.4.1	Aggregate NDM Reconciliation	7.4	Aggregate NDM Reconciliation under the Old Rules will still be carried out after the Implementation Date for SMPs which are Individually-Reconciled where the Reconciliation Metered Period starts on a date before the Implementation Date.
3.4.2	Aggregate NDM Reconciliation	7.4	Where Aggregate NDM Reconciliation is carried out only the Aggregate Reconciliation Quantity and Aggregate Reconciliation Clearing Value (as these terms are defined under the Old Rules) for the First Period will feed into the Aggregate NDM Reconciliation calculation.
3.5.1 ¹	Continued investigation of Suppressed values	7.4	Where a Suppressed Reconciliation Valuation remains Suppressed on the Last Pre-Nexus Day it will continue to be investigated under the Old Rules, subject to the following transitional rules.
3.5.2	Payments switched off	7.4	The Old Rules relating to liability and incentive payments around Suppressed values will no longer apply.
3.5.3	Transporter to investigate	7.4	Where a User Suppressed Reconciliation Value remains Suppressed 6 months after the Implementation Date the Transporter will take over the investigation.
3.5.4	Cut off for investigation	7.4	Where a User Suppressed Reconciliation Value becomes un-Suppressed the relevant invoice adjustments will be made no later than 14 months after the Implementation Date; and where the User Suppressed Reconciliation Value remains Suppressed 12 months after the Implementation Date no further investigation will be required and the value will lapse and not be used for any purpose.
3.6.1	OR TPD E10 to cease to apply	MOD432	The Old Rules relating to the calculation and payment of User Unidentified Gas Amounts will cease to apply in relation to any Reconciliation Billing Period after the Implementation Date.
3.6.2	AUG Table to cease to apply	MOD432	The AUG Table for the AUG Year from 1 April 2015 2016 will no longer have effect.
3.6.3	AUG Methodology and Table not required	MOD432	The Old Rules which require action in respect of any AUG Year (e.g. relating establishing the AUG Methodology and Table) commencing after the Implementation Date will no longer have effect.

¹ Note: 3.5.1 and 3.5.2 represent new legal text, which is (i) consistent with the requirements of Modification 0515 and (ii) consistent with the approach used in drafting the legal text for Modification 0528 (e.g. use of new defined terms).

Section F			
4.1	Parallel transit to New Rules under TPD Sections E and F	-	The rules in TPD Section F cover the clearing of Reconciliation Quantities and Daily Imbalances by way of a System Clearing Contract. As the Old Rules and New Rules in TPD Section E differ in relation to how Reconciliation Quantities and Daily Imbalances are calculated, it needs to clear the corresponding rules in TPD Section F follow this approach. So for as long as the Old Rules apply under TPD Section E, so do the corresponding Old Rules in TPD Section F. Similarly, when the Old Rules are replaced by the New Rules in TPD Section E the Old Rules are replaced by the New Rules in TPD Section F at the same time.
4.2	Reconciliation Neutrality	-	This confirms that the provisions relating to Reconciliation Neutrality had previously ceased to apply (their deletion not being a direct consequence of the Nexus Modifications).
Section G			
5.1.1, 5.1.2 and 5.5.9	Code Communications: Old and New Rules	-	<p>A TPD Section G Code Communication given under:</p> <ul style="list-style-type: none"> - the Old Rules cannot be submitted after the Implementation Date; - the New Rules cannot be submitted before the Implementation Date. <p>A Supply Point Enquiry and a Supply Point Objection submitted and outstanding before the Implementation Date, will continue to be effective after the Implementation Date in accordance with the New Rules.</p>
5.1.3	Code Communications: continuity of process	7.2	<p>As a general rule, if a Code Communication is submitted under the Old Rules and the process initiated by such Code Communication has not been completed before the Implementation Date (e.g. Supply Point Registration) then the process lapses and the Code Communication shall be of no effect.</p> <p>An exception to this approach is where the process or an equivalent process exists under the New Rules. If the same Code Communication can be given under the New Rules, the Code Communication given under the Old Rules will remain effective and the process will continue.</p>
5.2.1	Transit to new SP	7.2	Where on the Last Pre-Nexus Day the SP was:

	classifications		<ul style="list-style-type: none"> - a DM SP because the Daily Read Requirement applied under the Old Rules, the SP will be Class 1 under the New Rules; - a DM SP by reason of the User's election under the Old Rules (i.e. 'DME'), the SP will be Class 2 under the New Rules; - otherwise a DM SP, the SP will be Class 4 under the New Rules.
5.2.2 ²	Soft landing for DMVs	MOD514	Where on the Last Pre-Nexus Day a SP was a DM SP with Transporter Daily Read Equipment installed pursuant to an election by the Registered User (DMV), the SP shall be Class 1; and unless the SP becomes Class 1 within 6 months of the Implementation date because the Class 1 Requirement (under the New Rules) applies or is re-classified by the User as Class 2, 3 or 4, the Transporter will (immediately after the 6 months) re-classify the SP as Class 4.
5.2.3, 5.2.4, 5.2.5 and 5.2.6	Other rules re classification	-	<p>A User cannot make a classification election before the Implementation Date; and no SP will be classified as Class 3, except where the User so elects after the Implementation Date.</p> <p>Also, where a determination is made before the Implementation Date that a meter can be Daily Read under the Old Rules the same determination will apply as to whether the meter meets the Class 1 Meter Read Requirements under the New Rules.</p> <p>If it is necessary to identify which class a SP belongs to before the Implementation Date, the rules in paragraph 5.2.1 apply.</p>
5.2.7	No AQ Calculation Month pre Implementation Date	AQ BRD 7.6	When determining whether a threshold requirement is satisfied (in respect of a change in SP classification) no month before the Implementation Date will be treated as a AQ Calculation Month.
5.2.8	Restriction of change in SP classification	7.2	The prohibition on a change of SP classification until 2 months has elapsed since the previous change will only apply after the first change in classification following the Implementation Date.
5.3.1, 5.3.2, 5.3.3, 5.3.4 and 5.3.5	AQ on Implementation Date	7.6	The Old Rules will apply up to 14 September 2015 2016 to determine the AQ of each SMP, which would under the Old Rules apply in Gas Year 2015/16 2016/17.

² Note: 5.2.2 represents new legal text, which is (i) consistent with the requirements of Modification 0514 and (ii) consistent with the approach used in drafting the legal text for Modification 0528 (e.g. use of new defined terms).¹

			<p>On the Implementation Date the AQ of each SMP shall be the AQ established under the Old Rules; and the AQ will remain so until a new rolling AQ is determined under the New Rules.</p> <p>A User cannot appeal the AQ to apply on the Implementation Date under the Old Rules, and it cannot appeal the AQ for Gas Year 2014/15<u>2015/16</u> at a Larger SP after 31 July 2015<u>2016</u> on the basis of evidence of gas consumption or change in use. If an appeal has been made before 31 July 2015<u>2016</u>, the appeal will lapse where no new AQ was identified by the appeal process under the Old Rules prior to 31 August 2015<u>2016</u>.</p>
5.4.1	AQ under New Rules	7.6	<p>When calculating the AQ using the New Rules no meter reading with a Read Date before the Implementation Date will be used as an AQ Closing Read (other than certain meter readings submitted in the period between the Implementation Date and <u>Day 10 October 2015 of M(NID)</u>).</p> <p>A Qualifying Pre-Nexus Meter Reading (see paragraph 5.4.3) may in certain circumstances be used as an AQ Opening Reading.</p>
5.4.2	AQ under New Rules	7.6	<p>If the AQ is calculated under the New Rules using a Qualifying Pre-Nexus Meter Reading as an AQ Opening Reading, the reading will be subject to validation under the Transitional AQ Validation Rules; and if the reading fails validation the prevailing AQ will continue to apply.</p>
5.4.3	AQ under New Rules		[See Explanatory Table for Modification 0527]
5.4.4	AQ under New Rules	7.6	<p>Calculation of AQs using the New Rules will start in October 2015<u>M(NID)</u>, and to facilitate this the first AQ Read Submission Period will be 1-10 October 2015<u>start on Day 1 of M(NID) and end on Day 10 of M(NID)</u> and the earliest date the 'new' rolling AQ can apply will be <u>Day 1 November of 2015-M(NID)+1</u>.</p>
5.4.5	AQ under New Rules	7.6	<p>A User can ask for the AQ to be corrected where calculated in accordance with the New Rules under 5.4.4, but it cannot request a change of the AQ applying on the Implementation Date under paragraph 5.3.</p>
5.4.6	AQ under New Rules		[See Explanatory Table for Modification 0527]
5.5.1	Supply Point Enquiries	7.2	<p>A Supply Point Enquiry submitted (under the New Rules) on or after the Implementation Date can refer to a consumption period before the Implementation Date.</p>

5.5.2, 5.5.3, 5.5.4 and 5.5.5	Supply Point Confirmations	7.2	Identifies circumstances where a Supply Point Nomination or a Supply Point Offer submitted on or after the Implementation Date will lapse and have no effect. Where the Supply Point Confirmation is submitted before the Implementation Date for a registration date after the Implementation Date, the confirmation will be effective, and the class of the SP will follow the rules in paragraph 5.2.1, irrespective of any pending AQ appeal under the Old Rules.
5.5.6, 5.5.7 and 5.5.8	Supply Point Amendments	7.3	Any notice of revision to the Supply Point Register (contemplated by Annex G-1 under the Old Rules) which is outstanding at the Implementation Date will take effect on the Implementation Date as notice of a Supply Point Amendment, except where the notice of revision related to change of details for a Interruptible SP, or the isolation or reconnection of the SP, or in respect of certain Capacity Revision Applications.
5.6	Retrospective Adjustment		[See <i>Explanatory Table for Modification 0529</i>]
Section H			
6.1.1 and 6.1.2	Demand Models and EUCs	7.8	The New Rules in TPD Section H1 will apply in relation to the Gas Year starting 1 October 2015 2016 (so the Demand Models, End User Categories, Composite Weather Variable, ALP, DAF and EUC peak load factors applying on the Implementation Date shall be those developed under the New Rules.
6.1.3	Demand Models and EUCs	7.8	The other provisions in TPD Section H1 will also apply from the Implementation Date in continuity with the equivalent provisions of the Old Rules as they applied on the Last Pre-Nexus Day, so for instance, the Demand Estimation Sub-Committee in existence on the Last Pre-Nexus Day shall continue in existence with effect from the Implementation Date.
6.1.4	NDM Demand Estimation Methodology	7.8	Under the New Rules the initial NDM Demand Estimation Methodology is the document published by the Joint Office.
6.1.5	Formula Year Annual Quantity	7.6	Confirms the Formula Year Annual Quantity of a SP for the Formula Year starting 1 April 2016 2017 will be the AQ prevailing for December 2015 2016.

6.2	Supply Meter Point Demand	7.8	The New Rules in TPD Section H2 for determining NDM Supply Meter Point Demand, Unidentified Gas and Forecast Unidentified Gas will apply for each day starting from the Implementation Date, i.e. implementation is on a Gas Flow Day basis.
6.3	Annual Quantity	7.6	The New Rules in TPD Section H3 will be used to determine the Annual Quantity in each AQ Calculation Month in accordance with paragraph 5.4.
6.4	NDM Capacity	7.7	The New Rules in TPD Section H4.1 will be effective from the Implementation Date on a Gas Flow Day basis. In addition the Formula Year Annual Quantity of each NDM Supply Point will be revised from the Implementation Date so it is equal to the AQ of the NDM Supply Point on the Implementation Date (and the revised Formula Year Annual Quantity will apply until the end of the year, i.e. 31 March 2016 2017).
Section M			
7.1.1, 7.1.2, 7.1.3 and 7.1.4	General	-	The New Rules will be effective in respect of Meter Readings submitted on or after the Implementation Date, including Meter Readings with Read Dates before the Implementation Date. So a Meter Reading obtained (under the Old Rules) with a Read Date before the Implementation Date but submitted on or after the Implementation Date, will count as a Meter Reading under the New Rules and used for the purposes of Offtake Reconciliation. Also, where a New Rule about a Meter Reading operates by reference to the previous reading, and the Read Date, submission and validation of the previous reading occurred before the Implementation Date the reading will (subject to the New Rules) qualify as being the earlier Meter Reading.
7.1.5	Classification	7.2	For the purpose of the New Rules in TPD Section M the class of a SMP will be as determined under paragraph 5.2.1.
7.2.1 and 7.2.2	Validity	7.11	The New Rules on validity and whether a reading is Valid apply to all reads submitted after the Implementation Date, including in relation to reads where the Read Date is before the Implementation Date. So a reading with a read date before the Implementation Date may still be rejected even if it would have been Valid under the Old Rules.
7.3	Validation Rules		Under the New Rules the initial Uniform Network Code Validation Rules is the document

			published on 1 October 2015 the Nexus Implementation Date .
7.4.1	Submission of Meter Readings	7.11	The New Rules for submission of Meter Readings for the new classes of SMPs are effective in accordance with paragraph 7.
7.4.2	Metered Volume	7.11	The New Rules on estimation of Metered Volume will apply: <ul style="list-style-type: none"> - for Class 1 and 2 meters for any Day on and after the Implementation Date; - for Class 3 and 4 meters for any period ending on or after the Implementation Date.
7.4.3 and 7.4.4	Cyclic Meter Readings	7.11	The New Rules on cyclic Meter Readings for Class 1 and Class 2 Supply Meters apply to Meter Readings where the Read Date is on or after the Implementation Date. For Class 3 Supply Meters the New Rules apply from the first time the User elects for a SMP to be Class 3.
7.4.5	Meter Readings: continuity with Old Rules	7.11	The New Rules for cyclic Meter Readings for Class 4 SMPs, failure to obtain Meter Readings and Check Reads apply with effect from the Implementation Date (wherever possible) in continuity with the equivalent Old Rule provisions as they applied on the Last Pre-Nexus Day.
7.4.6	Meter Readings: continuity with Old Rules	7.11	Sets out in detail the application of the rule in paragraph 7.4.5 to specific Old Rules and New Rules.
7.4.7	Failure to obtain meter readings by Exit Close-out	7.11	The New Rules on failure to obtain meter readings by Exit Close-out apply from the Implementation Date for any Day for which the Exit Close-Out Date is no earlier than the Implementation Date.
7.5.1 and 7.5.2	Opening Meter Readings	7.2	The New Rules in relation to the submission or estimation of Opening Meter Readings apply only to Supply Point Confirmations submitted on or after the Implementation Date.
7.5.3	Opening Meter Readings	7.11	The New Rules in relation to Offtake Reconciliations in respect of Opening Meter Readings will apply to Opening Meter Readings submitted or estimated on or after the Implementation Date.
7.5.4	Opening Meter Readings for SSP	7.11	The New Rules in relation to Opening Meter Readings for SSP qualifying transfers apply for the month which begins on the Implementation Date, regardless of whether or not the Read

	qualifying transfers		Date is before or after the Implementation Date.
7.6	Removal or Transporter Daily Read Equipment	-	The New Rules in relation to the installation or removal of Transporter Daily Read Equipment apply in continuity with the Old Rules.
7.7	Other provisions - Daily Read Errors and Valid Meter Readings	-	The New Rules regarding Daily Read Errors apply in relation to Days on and from the Implementation Date. The Old Rules concerning the percentage of Valid Meter Readings to be provided in respect of Supply Meters with User Daily Read Equipment are effective for Read Dates until and including the Last Pre-Nexus Day, and will not apply thereafter.
Section S			
8	Billing Periods	7.12	The Old Rules will in relation to the Billing Period ending on the Last Pre-Nexus Day; and the New Rules will first apply to the Billing Period commencing on the Implementation Date.
Miscellaneous			
9.1	TPD Section V: RbD Auditor	-	Sets out the basis on which the Old Rules which deal the appointment and functions of the RbD Auditor will continue to apply.

Document comparison by Workshare Compare on 27 July 2015 19:34:41

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