

# 0523S:

## Supply Point Registration – Facilitation of ‘faster switching’ for Shared Supply Meter Points

This modification seeks to bring the Shipper User transfer timescales for Shared Supply Meter Points into line with that set out for all other Supply Points as implemented by Modification 0477 (Supply Point Registration - Facilitation of Faster Switching).



Panel consideration is due on 16 July 2015



High Impact: None



Medium Impact: None



Low Impact: Shipper Users holding a Shared Supply Meter Point portfolio


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About this document:													
<p>This Final Modification Report will be presented to the Panel on 16 July 2015.</p> <p>The Panel will consider the views presented and decide whether or not this self-governance change should be made.</p>													
<p>The Workgroup recommended the following timetable:</p> <table><tr><td>Initial consideration by Workgroup</td><td>26 February 2015</td></tr><tr><td>Workgroup Report presented to Panel</td><td>21 May 2015</td></tr><tr><td>Draft Modification Report issued for consultation</td><td>21 May 2015</td></tr><tr><td>Consultation Close-out for representations</td><td>26 June 2015</td></tr><tr><td>Final Modification Report published for Panel</td><td>29 June 2015</td></tr><tr><td>UNC Modification Panel decision</td><td>16 July 2015</td></tr></table>		Initial consideration by Workgroup	26 February 2015	Workgroup Report presented to Panel	21 May 2015	Draft Modification Report issued for consultation	21 May 2015	Consultation Close-out for representations	26 June 2015	Final Modification Report published for Panel	29 June 2015	UNC Modification Panel decision	16 July 2015
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 Any questions?

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## 1 Summary

### Is this a Self-Governance Modification?

The Modification Panel determined that this is a Self Governance modification as the low numbers of relevant Supply Points is unlikely to have material effect on gas consumers; competition or the operation of pipe-line systems. The Workgroup agreed with the Panel's determination that this is a Self-Governance modification due to the same reasons detailed above.

### Why Change?

Modification 0477, Supply Point Registration - Facilitation of Faster Switching implemented on 07 November 2014, enabled 'faster switching' to take place for all Supply Point categories with the exception of Shared Supply Meter Points (SSMPs). Workgroup 0477 excluded SSMPs from the scope of Modification 0477 as the Shipper User transfer process is dealt with manually under the 'unique sites' procedures. Now that the systems requirements and impacts for SSMPs are understood, it is timely that this modification be progressed which would bring the Shipper User transfer timescales for SSMPs in line with all other Supply Points.

### Solution

Modification of the UNC is required to amend the obligation contained in TPD Section G1.7.10 from a minimum of 20 Business Days to a minimum of 14 Calendar Days for SSMPs.

### Relevant Objectives

This modification would reduce the minimum timeframe for the change of Shipper User Registration for SSMPs. A quicker process would increase consumer confidence and engagement in the change of Supplier process and thus be expected to better facilitate relevant objective d) Securing of effective competition between Shippers and Suppliers.

### Implementation

This modification would be implemented in line with the Project Nexus Implementation Date, as this is when the revised Shipper User transfer timelines under Modification 0477 will take effect.

This modification would be delivered in conjunction with the Project Nexus programme and has no impact on the Significant Code Review.

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

This modification would be delivered in conjunction with the Project Nexus programme.

## 2 Why Change?

Modification 0477 - Supply Point Registration - Facilitation of Faster Switching implemented on 7<sup>th</sup> November 2014 was raised as a consequence of a Government initiative to reduce the change of supplier timescales within the UK. This initiative did not distinguish between Supply Point categories and so implementation of this modification would ensure compliance with the Government initiative.

The UNC was amended under Modification 0477 and UNC TPD G2.5.8b was revised to change the minimum timescales for transfer of Shipper User Supply Point ownership from 20 Business Days to 14 Calendar Days.

Modification 0477 enabled 'faster switching' to take place for all Supply Point categories with the exception of SSMPs. The 0477 Workgroup sought to exclude these from the scope of 0477 as the Shipper User transfer process is dealt with manually. It was known at the time of 0477 development that the 'unique sites' processes relating to SSMPs would go 'on-line' with the implementation of the Project Nexus UNC Modifications. As a result it was identified that a separate UNC Modification to align the shipper transfer processes should be considered in due course. This is the modification referred to within the 0477 Workgroup developments.

UNC TPD Section G1.7.10 sets out the corresponding minimum timescales for Shipper User transfer of Supply Point ownership at SSMPs. This obligation currently stands at 20 Business Days. Therefore G1.7.10 is required to be amended from 20 Business Days to 14 Calendar Days.

This would bring the Shipper User transfer timescales for SSMPs into line with all other Supply Points.

### 3 Solution

Modification of the UNC is required to align the Shipper User transfer timescales for SSMPs to that of all other Supply Points. It should be noted that the amendment would solely reduce the minimum timescales for the submission of the Supply Point Confirmation from 20 Business Days to 14 Calendar Days, it does not affect the maximum period for the submission of the Confirmation.

#### Solution

Modification of the UNC is required to amend the obligation contained in TPD Section G1.7.10 from a minimum of 20 Business Days to a minimum of 14 Calendar Days for SSMPs.

#### Business Rules

The proposed Supply Point Registration Date shall be not less than 14 Calendar Days commencing on the Day after the Supply Point Confirmation is submitted. G1.7.10 – (Currently 20 Business Days)

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

In a similar manner to Modification 0477, implementation of this modification would facilitate relevant objective d) Securing of effective competition by reducing the minimum timeframe for the change of Shipper User Registration for Shared Meter Supply Points, in turn providing benefits for consumers as they would be able to change their Supplier faster than under the existing arrangements. A quicker process may increase consumer confidence and engagement in the change of Supplier process and thus be expected to better facilitate effective competition between Shippers and Suppliers.

## 5 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised. However, this modification would be implemented in line with the Project Nexus Implementation Date. Relevant systems and process are presently being developed to facilitate implementation.

Associated systems and process changes to enable this to change to happen would be accommodated within the Project Nexus Project, therefore no additional costs would be expected.

## 6 Impacts

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

This modification would be delivered in conjunction with the Project Nexus programme.

### Pre Project Nexus Implementation

This modification would not be implemented prior to Project Nexus Implementation Date. However, system development would be accommodated.

### Project Nexus Implementation

This modification is expected to impact on existing processes and systems, specifically that some manual processes would be eliminated. This is planned for and is accommodated within the Project Nexus systems design.

### Post Project Nexus Implementation

This modification is expected to be implemented on the Project Nexus Implementation Date and therefore there will be no post Project Nexus issues.

## 7 Legal Text

### Text Commentary

The Legal Text reflects the solution proposed in Modification 0523S in that it amends the Shipper User transfer timescales for Shared Supply Meter Points into line with that set out for all other Supply Points as implemented under Modification 0477.

TPD Section G 1.7.10 (c) amended from a minimum of 20 Business Days to a minimum of 14 Calendar Days as per the business rule.

### Text

The following Text has been prepared by National Grid Distribution, and no issues were raised by the Workgroup regarding its content.

Amend TPD Section G (Supply Points) paragraph 1.7.10 as follows:

1.7.10 A Shared Supply Meter Point Notification:

- (a) shall be submitted and signed by each of the Users proposed to be Sharing Registered Users (but may be submitted in separate but identical counterparts provided such counterparts are submitted simultaneously);
- (b) shall specify:
  - (i) the identity of each of such Users and relevant Supply Meter Point Reference Numbers;
  - (ii) the date, not earlier than 2 months (or such lesser period as the Transporter may specify in the Shared Supply Meter Point Procedures) after the notification is submitted, with effect from which such notification is to take effect;
  - (iii) (but without prejudice to the terms on which Users may apply for or increase or reduce Supply Point Capacity) the Supply Point Capacity which is intended that (following such notification) each Sharing Registered User should hold at each relevant Supply Point);

- (iv) where a Shared Supply Meter Point Notification provides for the appointment of a Sharing Registered User Agent a default allocation methodology for the apportionment of Reconciliation Quantity among Existing Shared Registered Users in percentages (aggregating 100%) ("**Default Allocation Methodology**"); and
- (v) if an application for Partial Interruption status in accordance with paragraph 6 is being made;
- (c) shall be conditional upon a Supply Point Confirmation, for a Proposed Supply Point Registration Date which is the same as the proposed effective date of such notification, being submitted at least ~~20 Supply Point Systems Business Days~~ 14 calendar days prior to the Proposed Supply Point Registration Date:
  - (i) by any User proposed in such notification to be a Sharing Registered User who is not already a Registered User of the relevant Supply Meter Point;
  - (ii) by at least one of the Users proposed in such notification to be a Sharing Registered User, if any Existing Registered User is not proposed (in such notification) to be a Sharing Registered User

and becoming effective (an Existing Registered User accordingly being taken to have consented to such notification if no Supply Point Objection is submitted by it);
- (d) may not be withdrawn unless another such notification is submitted by all the Sharing Registered Users to take effect from such withdrawal;
- (e) may not be modified other than by notification:
  - (i) signed by each of the Sharing Registered Users and any new Sharing Registered User;
  - (ii) specifying the modification;
  - (iii) given not later than 2 months (or such lesser period as the Transporter may specify in the Shared Supply Meter Point Procedures) before the modification is required to take effect provided that no such modification shall be made with effect from a date less than 30 days after the preceding such modification; and
  - (iv) specifying (but without prejudice to the terms on which Users may apply for or increase or reduce Supply Point Capacity) the Supply Point Capacity which it is intended that (following such modification) each Sharing Registered User should hold at each relevant Supply Point; and
- (f) shall take effect, where the Shared Supply Meter Point Procedures require it to take effect, as a Supply Point Nomination made by each of the Sharing Registered Users.

## 8 Consultation Responses

Of the 4 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"> <li>Supports the switching process being consistent across the industry, to ensure all customers are switched in appropriate timescales.</li> </ul>
EDF Energy	Support	d - positive	<ul style="list-style-type: none"> <li>The modification is needed to extend the principles implemented through modification UNC 0477 "Supply Point Registration - Facilitation of Faster Switching" to Shared Supply Meter Points (SSMPs). Reducing the timescales for the transfer of Supply Point ownership at</li> </ul>

			SSMPs to 14 Calendar days will make the arrangements consistent across all supply points and improve the consumer experience.
National Grid Distribution	Support	d - positive	<ul style="list-style-type: none"> <li>The measures identified build on the benefits implemented by Modification 0477 and will ensure total consistency in terms of the minimum timescale required to transfer Shipper. Irrespective of the category of Supply Point, a minimum timescale of 14 Calendar days will apply.</li> <li>Notwithstanding that self-governance procedures apply, this Modification can only be implemented with effect from the Project Nexus Implementation Date.</li> </ul>
RWE npower	Support	d - positive	<ul style="list-style-type: none"> <li>This change will reduce the minimum timeframe for the change of Shipper User Registration for SSMPs. The quicker process will mean that consumers have a better switching experience and makes the switching process smoother.</li> <li>Sensible approach to bring the SSMPs sites in line with all other Supply Points.</li> </ul>

Representations are published alongside the Final Modification Report.

## 9 Panel Discussions

## 10 Recommendation

### Panel Recommendation

Having considered the Modification Report, the Panel determined:

- that proposed self-governance Modification 0523S [should/should not] be made.