

## Stage 01: Modification

# 0515:

## Resolution timescales for SRVs and USRVs following Project Nexus Implementation

At what stage is this document in the process?

- 01 Modification
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

This modification seeks to establish timescales for Transporter (SRV) and User (USRV) resolution following the Project Nexus Implementation Date



The Proposer recommends that this modification should be Self-Governance and assessed by a Workgroup



High Impact:  
None identified



Medium Impact:  
Users and Transporters



Low Impact:  
None identified

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## About this document:

This modification will be presented by the proposer to the Modification Panel on 18<sup>th</sup> September 2014.

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

- Should follow Self-Governance procedures and
- Be referred to a workgroup for assessment.



Any questions?

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# 1 Summary

## Is this a Self-Governance Modification?

Self-Governance procedures are proposed on the basis that this modification is unlikely to have a material effect on competition and existing or future consumers.

## Is this a Fast Track Self-Governance Modification?

It is not anticipated that the modification will be subject to Fast Track Self-Governance as it cannot be considered a house keeping change.

## Why Change?

UNC Modification 0432 - Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform, removed the SRV and USRV processes which are redundant under the Project Nexus arrangements. To ensure a timely resolution of the outstanding population of Suppressed Reconciliation Values (SRVs) and User Suppressed Reconciliation Values (USRVs) that exist at Project Nexus Implementation Date this modification identifies the resolution timetable setting out the User resolution period and the point at which resolution would become the responsibility of the Transporter.

## Solution

This modification seeks to set out UNC transitional text to ensure the timely resolution of SRVs and USRVs 12 months following the Project Nexus Implementation Date and invoicing concluded 14 months following Project Nexus Implementation Date.

## Relevant Objectives

It is expected that this modification would further Relevant Objective (f). This modification would allow a period of time for Users and Transporters to resolve SRVs and USRVs and enable effective reconciliation.

## Implementation

As Self-Governance is proposed, this modification could be implemented 16 Business Days following a decision by the Modification Panel.

## Does this modification affect the Nexus delivery, if so, how?

This modification identifies measures, which are an important pre-requisite for Project Nexus implementation.

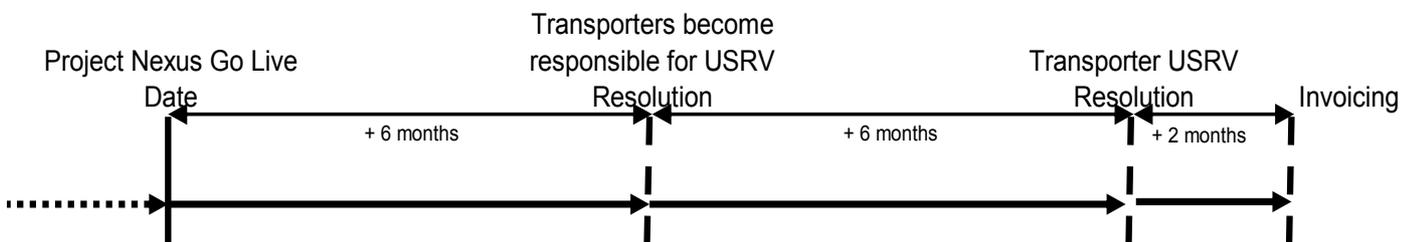
## 2 Why Change?

At the Project Nexus Implementation Date (identified within UNC General Terms Section C), the SRV and USRV process will no longer be applicable as a result of implementation of Modification 0432.

Users have identified that there will be SRVs and USRVs requiring resolution after the Project Nexus Implementation Date. In each case, such values shall relate to the period prior to the Project Nexus Implementation Date.

To ensure timely resolution of the outstanding population of SRVs and USRVs that exist at Project Nexus Implementation this modification identifies a timetable setting out the User resolution period for USRVs and the point at which resolution would become the responsibility of the GT. It also identifies a timetable for resolution by the Transporter of SRVs.

The modification seeks to conclude the resolution of USRVs 12 months following the Project Nexus Implementation Date. Invoicing would be concluded by Project Nexus Implementation Date plus fourteen months. The following diagram illustrates this.



### 3 Solution

This modification seeks to conclude the resolution of SRVs and USRVs 12 months following the Project Nexus Implementation Date. Invoicing would be concluded by Project Nexus Implementation Date plus fourteen months.

The following business rules are relevant:

- Transporters would take responsibility for any USRVs outstanding at the Project Nexus Implementation Date plus six months.
- Transporters are required to resolve such USRVs on a reasonable endeavours basis by Project Nexus Implementation Date plus twelve months. Resolution options are envisaged in the same way as described under the Modification 0192 arrangements (UNC TPD Section E 8.4.5 refers).
- Transporters are required to resolve any SRVs on a reasonable endeavours basis by Project Nexus Implementation Date plus twelve months.

Transporters may request additional information from Users to assist in and resolve investigations.

Once such USRVs have been referred to Transporters, Users may resolve these USRVs at any point to Project Nexus Implementation Date plus twelve months but shall remain liable for the relevant User Pays charges.

#### User Pays

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

Users will be subject to User Pays charges as they currently are for resolution of USRVs. The User Pays service would be amended in so far as the timescales at which it would be the Transporters responsibility to resolve the USRV. As such this is 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.

Users will continue to pay the prevailing charges as set out in the Agency Charging Statement (ACS). However, the development costs associated with this modification would not be recovered from Users.

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

Development costs associated with this Modification would not be recovered from Users. Ongoing costs will be as per the ACS.

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

The existing ACS sets out the recovery of Charges (Service Item 8 refers).

## 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.	None
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

It is expected that this Modification would further Relevant Objective (f).

The SRV and USRV regime is not required following Project Nexus Implementation. This modification would allow a reasonable period of time for Users and Transporters to seek to resolve SRVs and USRVs and enable effective reconciliation where possible.

## 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.

## 6 Legal Text

Legal text will be provided by the Transporters when requested by the Modification Panel

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## 7 Recommendation

The Proposer invites the Panel to:

- Determine that this modification should be subject to self-governance; and
- Progress to Workgroup assessment

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