Business Rules for New Processes Created by Project Nexus Modifications

for

Project Nexus

submitted to

Project Nexus Workgroup

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Contents

1.   Glossary/Defined Terms

Term / Acronym	Definition
Class	The new Classification of a Supply Point. Referred to as 'Product' in the Nexus BRD's (Mod 0432 & 0434)
Cut-Over	Moving from current arrangements to the new arrangements
Go Live	Implementation of the new arrangements
In-Flight	Processes that commence pre implementation & complete post implementation
Non Effective days	UNC obligations are not applied

2. Document Purpose

The purpose of this document is to accurately capture the business rules required to deliver the requirements captured under Project Nexus Modification 0432 & 0434. The rules captured in this document have not been documented under the Project Nexus BRD's as they were identified and agreed after approval of the Project Nexus BRD's.

Adequate information will be provided to enable the industry to approve the documented requirements.

The business rules are based on presentations and discussions at the Nexus Workgroup. Once the rules are sufficiently developed they will be documented here for each business area. Section 6 lists the areas discussed and the status of the rules, agreed or to be agreed. The final version of the document will contain agreed business rules only.

This final approved version of the document will form the base for any Modification or business and functional changes required to implement the transitional business rules.

2.1 Intended Audience

- Gas Shippers/Suppliers
- Gas Transporters (Larger and Small)
- Xoserve
- Customer Representative(s)
- Ofgem

3. Executive Summary

3.1 Introduction to the change

This document contains the matters for consideration in order to deliver the requirements generated by Modifications:
- 0432 Project Nexus Gas Demand Estimation, Allocation, Settlement and Reconciliation Reform
- 0434 Project Nexus Retrospective Updates
- 0440 Project Nexus iGT Single Service Provision
- iGT UNC 039 Use of a single Gas Transporter agency for the common services and systems and processes required by the iGT UNC
- 467 Project Nexus iGT Single Service Provision Data Preparation,
- 473 & 0473A Project Nexus Allocation of Unidentified Gas

If required, further Modifications will be added as they are raised.

3.2 Change Drivers and Business Goals

Drivers

To deliver the new industry requirements with the least disruption to the industry

Business Goals

To develop an industry agreed robust regime to deliver the requirements as defined within Modifications listed under Section 3.1.

3.3 Related Documents

As well as the Modifications referenced under section 3.1 the following documents are the business requirements documents developed by the Nexus Workgroup (PN UNC)

Document Title	Location
Annual Quantity BRD v5.0	Joint Office Website
iGT Agency Services BRD v2.0	Joint Office Website
Invoicing BRD v2.0	Joint Office Website
Reconciliation BRD v 3.0	Joint Office Website
Retrospective Updates BRD v 4.0	Joint Office Website
Meter Read Submission & Processing and Settlement Arrangements for all Gas Meter Points BRD v 4.0	Joint Office Website
Supply Point Register BRD v 3.0	Joint Office Website

Transition Topic Register (document under development under Project Nexus Workgroup)	Joint Office Website
Transition Business Rules	Joint Office Website

4. Scope

4.1 In Scope

- Business rules not documented under the <u>P</u>~~p~~roject <u>N</u>~~n~~exus BRD's but rules required in order to deliver the requirements developed under Modification 0432 and 0434.

4.2 Out of Scope

- Changes required as a result of Smart metering & DCC implementation
- Any Modification not listed under Section 3.1
- Transitional business rules

5. Assumptions and Concerns

5.1 Assumptions

- There will be a single release for all functionality related to the Modifications 0432, 0434 and 0440
- The processes required by the relevant Modifications will be effective on the implementation date of the Modifications..
- Daily Metered Voluntary (DMV) Supply Points will not exist at Go Live (Mod 0441)
- There will be no aggregations and no requirement to aggregate meter points (Mod 0428).

5.2 Dependencies

- Timely industry agreement will be required to progress in line with the broader programme
- The outcome of High Level Design phase of the UKLink Replacement Programme
- Approval of all Nexus Modifications
- Rules are agreed in line with the published schedule

5.3 Risks & Issues

- Not all Shippers/Suppliers attend the workgroups or are represented therefore solutions may not be representative of the whole industry and consequently there may be opposition to any potential Modifications raised.
- There is a risk that rules are not agreed and/or are changed late within the programme, leading to a delay in modifications being agreed and impacting implementation timelines.

5.4 Constraints

- Broader change programme as there is a significant level of industry change with similar implementation dates. The industry's ability to achieve all of these changes needs to be taken into consideration when planning transition activities.

5.5 Design Considerations

6.   Topic Register

6.1   Retrospective Updates

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.1	Retrospective Updates	Asset Installation & Removal & Asset Amendments		15/04/2014	15/04/2014
		Meter Reads			
		Supply Point Data			
		Limit for effective date of a retrospective update		09/09/2014	09/09/2014

6.2   AQ Review

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.2	AQ Review	AQ Review		12/05/2014	18/06/2014
		AQ Amendments			
		AQ Appeals			
		End of Year AQ reconciliation (Mod 640)			

6.3   Read Submission & Validation

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.3	Read Submission &	Read Migration		12/05/2014	18/06/2014

	Validation	Read Validation			

6.4   Supply Point Category

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.4	Supply Point Category	Definition of a Supply Point for Gas Nomination & Allocation processes	A4.4	09/09/2014	09/09/2014

6.5   Primes and Sub Supply Meter Points

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.5	Primes & Subs	Meter Read requests for Reconciliation purposes		09/09/2014	09/09/2014

6.6   Supply Meter Points Confirmed in Error (Mod 0517)

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.6	Confirmed in Error	Shipper Withdrawal from a Supply Meter Point that has been confirmed in error		09/09/2014	09/09/2014

6.7   Address Updates

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.7	Address Updates	Address updates that result in a change in LDZ and or Exit Zone		09/09/2014	09/09/2014

6.8   AQ Correction

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.8	AQ Correction	Limit for submission of a New Business Activity Limit on the submission of AQ Corrections	G1.6.21	09/09/2014	09/09/2014

7. Business Requirements

7.1 Retrospective Updates

Asset Installation & Removals (including Exchanges) & Amendments to Asset Data

- The new arrangement allows the application of an update to asset data for the correct effective date. Currently the update effective date must be for an effective date after the last valid read recorded.
- Any financial adjustment due as a result of the update will be automatically processed for the current Shipper.

  - Any updates to asset data submitted post Go Live but the effective date is for a date pre Go Live will be accepted, subject to validation.
  - Only the Registered Shipper can submit an asset update.
  - Asset updates will be accepted if the effective date is during a previous Shippers ownership
  - Any financial adjustments due as a result of the update will be automatically processed for the Registered Shipper
  - Any financial adjustments due as a result of the update for a previous Shippers(s) will only be processed if requested by the relevant Shipper.

Replacement of Meter Reads

- The new arrangement allows the Shipper to replace meter reads (actual meter reads can only be replaced for Class 2 and 3 Supply Meter Points) submitted during their period of ownership. For Class 1 and 2, actual meter reads can only be replaced via a Consumption Adjustment.
- Any financial adjustment due as a result of the update is automatically processed for the Shipper.
  - Replacement of meter reads dated pre Go Live can only be replaced via a Consumption Adjustment.

Supply Meter Point & Supply Point Data Updates

- The new arrangement allows the application of an update to Supply Point address data and an automatic financial adjustment if the address update changes the LDZ. Currently the update can only be made for a future date and a Confirmation is required to record the Supply Point under the correct LDZ.
- For clarification, updates to Supply Meter Point and Supply Point data that can be applied for a future effective date only are;
  - Market Sector Code
  - Meter Read Frequency

- ▪ Supplier ID
- ▪ Emergency Contact Details
- Any financial adjustment due as a result of an address update is automatically processed for the current Shipper.
  - ▪ Any updates to Supply Point data submitted post Go Live but the effective date is for a date pre Go Live will be accepted, subject to validation.
  - ▪ Only the Registered Shipper can submit an update.
  - ▪ Updates will be accepted if the effective date is during a previous Shippers ownership
  - ▪ Any financial adjustments due as a result of the update will be automatically processed for the Registered Shipper
  - ▪ Any financial adjustments as a result of an update for a previous Shippers(s) will only be processed if requested by the relevant Shipper.

Limit for effective date of a retrospective update
Any retrospective update to Supply Meter Point data, asset data or replacement of meter reads can only be for an effective date post the Code Cut-Off Date (Line in Sand). Where an update exists for pre the Code Cut-Off Date the Shipper must submit the request with an effective date of D-1 of the Code Cut-Off Date.

7.2   AQ Review

AQ Review
- The new arrangements will calculate an AQ monthly if a valid read has been submitted within the AQ period.
- For Class 3 and 4 Supply Meter Points there will be two AQ's and SOQ's; the Rolling AQ for allocation purposes and a fixed AQ and SOQ which applies for 12 months for transportation charges.
  - ▪ AQ review activities leading upto 1st October 2015 will be performed
  - ▪ The first valid read loaded after Go Live will be considered for calculation an AQ which, if calculated will go live from the 1st of the following month
  - ▪ The AQ calculation will use the reads migrated over from the existing UKLink system
  - ▪ Offer Addendum process will close mid-September (all Offers will be invalidated as at Go Live)

AQ Amendments
- The existing AQ Amendments process will cease to exist as meter reads will be validated on submission of the read.
  - ▪ There will be no AQ Amendments after August 2015

AQ Appeals
- The existing AQ Appeals process will cease to exist as meter reads will be validated on submission of the read.
  - ▪ Appeals window will not re-open when it closes in July 2015

- Any outstanding Appeals will be invalidated 1 month before Go Live (to ensure AQ data is not amended prior to migration)

Threshold Crossers (Mod 640 Adjustments)
- Threshold Crossers from SSP to LSP will not exist under the new arrangements due to individual meter point reconciliation.
    - The meter points that have moved from SSP to LSP market will be determined beginning of October
    - The Mod 640 invoice to be issued end of December
    - There will not be an appeal period for the meter points identified as threshold crossers

7.3   Read Submission and Validation

Read Submission
- The new arrangements provide Shippers access to three settlement services they can elect for a meter point to be processed under. Each service has different obligations for submitting reads. The selection of the new services will not be available until after Go Live and all meter points will be migrated to a default Class (see Section 7.1).
- Until a Shipper elects the Class of a Supply Point the submission of a meter read will be dependent on their default Class:
  Class 1: reads submitted by the DMSP daily
  Class 2: reads submitted daily by the Shipper
  Class 4: reads submitted as per the meter read frequency
    - Meter reads held in the current system at Go Live will be migrated to the new system
    - Where the read has generated a USRV, the read will be migrated across in a "suspended/suspect" status to ensure it is not used in downstream processes (e.g. AQ review)

Read Validation
- The new arrangements introduces meter read validation based on the energy generated from the read
- The tolerance compares the energy generated from the read against the AQ (Class 4) or SOQ (Class 1, 2 & 3) for the Meter Point
- Two step validation performed, if the read fails the tolerance it will be rejected
- The first validation tolerance check can be overridden by the Shipper, the second set of tolerances cannot be overridden & will be rejected
    - Reads received after Go Live will be validated against the new meter read validation rules, even if the read is for a read date pre Go Live

7.4   Supply Point Category

A Supply Point Category (SPC) is applied at first registration of a Supply Meter Point and updated if required at change of Shipper. Supply Point Category is based on AQ

and Gas Nomination Type (DM or NDM). SPC is used in Gas Nomination and Allocation processes, and used for allocation of scheduling charges for Energy Balancing.

- For a Supply Point Category of VLDMC and DMC Gas Nominations are required at Supply Meter Point level. Allocation will be available (on Gemini) at Supply Meter Point level.
- For a Supply Point Category of DMA Gas Nominations are required at an aggregate level by for all Class 2 Supply Meter Points in an LDZ. Allocation will be available (on Gemini) at an aggregate level.
- For a Supply Point Category of NDMA Gas Nominations will be based on demand estimation methodology at an aggregate level for all Class 3 and 4 Supply Meter Points in an LDZ.

With the introduction of two Class for both DM (Class 1 and 2) and NDM (Class 3 and 4) the SPC requires defining based on the Class and AQ of a Supply Meter Point.

The Supply Point Category to be applied as follows;
- Supply Meter Point with an AQ equal to or greater than 1,465,000,000 kWh to have a SPC of VLDMC
- All Class 1 Supply Meter Points to have a SPC of DMC
- All Class 2 Supply Meter Points to have a SPC of DMA
- All Class 3 and 4 Supply Meter Points to have a SPC of NDMA

The SPC will be applied at first registration based on Class and AQ, when the Supply Meter Point changes Class the SPC will be updated and the Shipper advised (except changes between Class 3 and 4). The SPC will not change as a result of AQ processes.

7.5   Prime and Sub Supply Meter Points

Unless a Supply Meter Point qualifies to be in Class 1 a Shipper will have the option to nominate a Prime or Sub Supply Meter Point into Class 2, 3 or 4. Based on the elected Class, Shippers will have the obligation to obtain and submit the reads required for the Class. Shippers will also be responsible for Check Read obligations, where relevant, and submission of a transfer read.

In order to ensure the Prime Supply Meter Point is reconciled correctly meter reads are required for every Sub Supply Meter Point within the configuration to be obtained at the same time.

A meter read is only required for Class 4 Supply Meter Point where a daily read is not available. Therefore a read will only be requested by the GT for Class 4 Supply Meter Points where daily reads are not available in order to net off and reconcile the Prime meter.

7.6   Supply Meter Points Confirmed in Error (Mod 517)

Currently the Shipper must submit a query via CMS along with a warrant that the Supply Meter Point is not capable of passing gas before submitting an isolation (following the recording of a dummy meter by Xoserve) and Withdrawal request.

Post Go Live the Shipper will only need to submit a Withdrawal, no requirement to submit an Isolation request, by submitting a Withdrawal the Shipper is warranting that the Supply Meter Point is not capable of flowing gas. Any financial adjustment will be automatically processed once the Withdrawal is confirmed and effective.

7.7   Address Updates

Where an address update is submitted and accepted that amends the LDZ and or Exit Zone that the Supply Meter Point is assigned to, an Offer will be issued to the Shipper where there is a change in the transportation charges notifying them of the applicable rates to be applied.

The address update and transportation rates will be applicable 2 business days from receipt of the valid update.

7.8   AQ Correction

Where an AQ Correction is submitted for reason of a New Business Activity, the request will only be accepted if received within 3 months of registration of the Registered Shipper.

There will be no limits for when an AQ Correction can be submitted after any previous accepted requests.

8. Document Control

Version History

Version	Status	Date	Author(s)	Summary of Changes
0.1	Initial Draft	14/07/2014	Xoserve	First draft
0.2	Draft	04/08/2014	Xoserve	Updated title & recorded AQ Backstop Options & areas discussed at 9th September meeting

Reviewers

Name	Version	Date
PN UNC		

Approval

Name	Version	Date