

Project Nexus

Impact Assessment:

Delay to Project Nexus Implementation Date

A report for the Project Nexus Workgroup

Version	Date
0.54	19th July 25th August 2016

1. Introduction

This document has been prepared on the basis that the Project Nexus Implementation Date (PNID) will be delayed and therefore will not be 1st October 2016.

This document provides the high level impact assessment of the implications of the change to the Project Nexus Implementation Date (PNID).

The assessment is split into 2 sections:

1. Topics related to processes undertaken by Xoserve directly or Modifications
2. Topics Related to Industry & Regulatory Change

2. Topics that may be impacted by PNID

2.1 Topics related to processes undertaken by Xserve directly or Modifications

Topic	Description / Impact	Solution options	Impact by delayed implementation	Actions
New Demand estimation formula to go live with Mod 0432	The new demand estimation formula This will go live with Modification 0432	None	Demand Estimation team are developing DAFs etc for current & new demand estimation formula. DESC confirmed implementation is not gas year dependent	None
Mod 0467 - iGT Data Preparation database and data preparation exercise	The iGT data preparation exercise is required to migrate all data to new UKLink. The exercise commenced in January 2015 and was scheduled to be completed by 1 st October.	No change to existing solution principles, however, changes to the frequency of reports from iGTs (monthly, weekly and daily) may need to be made.	The iGT data preparation exercise will continue until to the new PNID.	None Consider frequency of reporting from iGTs
Mod 0445 Amendment to the arrangements for Daily Metered Supply Point Capacity	Mod 0445 Implementation date is stated as 05:00 on 1st October 2015 - no relationship with Mods 0432 or 0434 dates. Mod 0478 which fills the gap for SOQ reductions below BSSOQ until Project Nexus, has an end date of "Project Nexus Go Live Date"	New Mod required to extend the service for the period prior to new PNID.	Mod 0445 cannot be delivered until PNID. Mod 0478 expires on 06.00 on "Project Nexus Go Live Date".	Check if the legal text needs to be amended to PNID? None. Implementation date states PNID.
Mod 441 & Mod 514 Continuation of Daily Metered (Voluntary) service until the implementation of Project Nexus Mods	Mod 0514 supersedes 0441. The Mod provides a period of 6 months soft landing in order for the GT daily read equipment to be removed & Shippers to install their own equipment, if required. Text aligned to new PNID	None Limited to reissue of implementation notice	DMV service continues until 6 months after new PNID.	GTs to issue a revised Implementation notice? None. Implementation date states PNID

Topic	Description / Impact	Solution options	Impact by delayed implementation				Actions
Formula Year AQ (FY AQ)	New process to be implemented with Mod 0432. The Formula Year AQ effective from 1 st April is a snapshot of the AQ at as 1 st December the previous year.		PNID	Snapshot date for Formula Year AQ	Date next snapshot taken (date)	Date effective	Modification would be required to carry out an AQ review outside of the AQ review timescales stated in UNC
			1st October 2016	1st October 2016	1st December 2016	1st April 2017	
			1st February April 2017	1st October 2016 01/03/2017	01/12/2017 1 st December 2017	1st April 2018 01/04/2018	
			1st March 2017	01/04/2017 1st October 2016	01/12/2017 1 st December 2017	01/04/2018 1st April 2018	
			1st June April 2017	01/05/2017 1st October 2016	01/12/2017 1 st December 2017	01/04/2018 1st April 2018	
			1st July 2017	01/06/2017	01/12/2017	01/04/2018	
			1st August 2017	01/07/2017	01/12/2017	01/04/2018	
			1st September 2017	01/08/2017	01/12/2017	01/04/2018	
			1st October 2017	14/09/2017	01/12/2017	01/04/2018	
			Note: Snapshot of the AQ for the FYAQ for PNID would be taken 1 month before go live. Any outstanding AQ Appeals are invalidated 1 day before AQ snapshot is taken. However, valid AQ Appeals on an MPRN creation will not be closed until 4 days before the Appeals are invalidated				

Topic	Description / Impact	Solution options	Impact by delayed implementation				Actions																																
			(in order for the Confirmation to be submitted).																																				
Annual AQ process	<p>The annual AQ review process commences in January for 'trial calc' & continues until 1st October when the revised new AQ is effective.</p> <ul style="list-style-type: none"> • MOD640 – assumption that Shippers can challenge threshold crossers until 31/12/2016 • Backstop date – 2016 dates if no AQ2017 • BSSOQ calculations for 2016 to be applied 01/10/2016 until PNID • Capacity reduction window closes 31st January 2017 • Ratchet season overlaps new implementation dates • 	Perform another AQ review before PNID	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="1077 595 1330 667">PNID</th> <th colspan="3" data-bbox="1335 595 1778 667">AQ Snapshot for PNID</th> </tr> </thead> <tbody> <tr> <td data-bbox="1077 670 1330 707">1st April 2017</td> <td colspan="3" data-bbox="1335 670 1778 707">PNID – [1] day</td> </tr> <tr> <td data-bbox="1077 710 1330 746">1st May 2017</td> <td colspan="3" data-bbox="1335 710 1778 746">PNID – [1] day</td> </tr> <tr> <td data-bbox="1077 750 1330 786">1st June 2017</td> <td colspan="3" data-bbox="1335 750 1778 786">PNID – [1] day</td> </tr> <tr> <td data-bbox="1077 790 1330 826">1st July 2017</td> <td colspan="3" data-bbox="1335 790 1778 826">PNID – [1] day</td> </tr> <tr> <td data-bbox="1077 829 1330 866">1st August 2017</td> <td colspan="3" data-bbox="1335 829 1778 866">PNID – [1] day</td> </tr> <tr> <td data-bbox="1077 869 1330 930">1st September 2017</td> <td colspan="3" data-bbox="1335 869 1778 930">PNID – [1] day</td> </tr> <tr> <td data-bbox="1077 933 1330 970">1st October 2017</td> <td colspan="3" data-bbox="1335 933 1778 970">PNID – [1] day</td> </tr> </tbody> </table>				PNID	AQ Snapshot for PNID			1 st April 2017	PNID – [1] day			1 st May 2017	PNID – [1] day			1 st June 2017	PNID – [1] day			1 st July 2017	PNID – [1] day			1 st August 2017	PNID – [1] day			1 st September 2017	PNID – [1] day			1 st October 2017	PNID – [1] day			A Mod would be required to perform another AQ review before 1 st October 2017 PNID
PNID	AQ Snapshot for PNID																																						
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AQ Appeals process	<ul style="list-style-type: none"> • LSP AQ Appeal window re-opens 14th September /09/2016 & closes on 31st July – clarification required on end date and when last AQ change can be applied to legacy system • SSP AQ Appeal window re-opens on 1st October 01/10/2016 and closes on 		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="1077 1088 1234 1233">PNID</th> <th data-bbox="1238 1088 1406 1233">LSP AQ Appeal window Closes</th> <th data-bbox="1411 1088 1585 1233">SSP AQ Appeal window Closes</th> <th data-bbox="1590 1088 1778 1233">Outstanding Appeals invalidated</th> </tr> </thead> <tbody> <tr> <td data-bbox="1077 1236 1234 1305">1st April 2017</td> <td data-bbox="1238 1236 1406 1305">31/01/2017</td> <td data-bbox="1411 1236 1585 1305">31/01/2017</td> <td data-bbox="1590 1236 1778 1305">28/02/2017</td> </tr> <tr> <td data-bbox="1077 1308 1234 1377">1st May 2017</td> <td data-bbox="1238 1308 1406 1377">28/02/2017</td> <td data-bbox="1411 1308 1585 1377">28/02/2017</td> <td data-bbox="1590 1308 1778 1377">31/03/2017</td> </tr> </tbody> </table>				PNID	LSP AQ Appeal window Closes	SSP AQ Appeal window Closes	Outstanding Appeals invalidated	1 st April 2017	31/01/2017	31/01/2017	28/02/2017	1 st May 2017	28/02/2017	28/02/2017	31/03/2017	Appeal window will re-open. Date Appeal window closes would depend on ing-TBC once PNID known																				
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1 st April 2017	31/01/2017	31/01/2017	28/02/2017																																				
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Topic	Description / Impact	Solution options	Impact by delayed implementation				Actions
	<p>31st May – clarification required on end date and when last AQ change can be applied to legacy system</p>		1 st June 2017	31/03/2017	31/03/2017	30/04/2017	
			1 st July 2017	30/04/2017	30/04/2017	31/05/2017	
			1 st August 2017	31/05/2017	31/05/2017	30/06/2017	
			1 st September 2017	30/06/2017	31/05/2017	31/07/2017	
			1 st October 2017	31/07/2017	31/05/2017	30/08/2017	
			<p>Note. Above dates for AQ Appeals on an MPRN creation will not be closed until 4 days before the Appeals are invalidated (in order for the Confirmation to be submitted).</p>				
<p>AQ Amendments process</p>	<p>AQ Amendments process challenges the AQ calculated. The window opens 1st June & closes 13th August.</p>		<p>PNID</p>	<p>AQ Amendment window Closes</p>	<p>Last AQ Amendment</p>		<p>None. For PNID pre 01/10/17 the Amendment window will not re-open. A Mod would be required to amend the dates of the AQ Amendment window & to perform another AQ review before 1st October 2017 as PNID pre 1st June</p>
			1 st April 2017	N/A	N/A		
			1 st May 2017	N/A	N/A		
			1 st June 2017	N/A	N/A		
			1 st July 2017	N/A	N/A		
			1 st August 2017	N/A	N/A		
			1 st September 2017	N/A	N/A		
			1 st October 2017	01/06/17	13/08/17		

Topic	Description / Impact	Solution options	Impact by delayed implementation			Actions
AQ end of year reconciliation	AQ end of year reconciliation (Mod 640 process), threshold crossers, adjustments are identified following the annual AQ review process in October. Supply Points that have moved from SSP to LSP on 1st October 2016 are subject to a reconciliation process. AQs can be Appealed until 31st December.		PNID	Threshold Crossers determined	Invoice Issued	None
			1 st April 2017	N/A	N/A	
			1 st May 2017	N/A	N/A	
			1 st June 2017	N/A	N/A	
			1 st July 2017	N/A	N/A	
			1 st August 2017	N/A	N/A	
			1 st September 2017	N/A	N/A	
			1 st October 2017	October 2017	December 2017	
AQ Backstop Date	A Backstop Date is applied during the annual AQ review process. The Backstop Date prevents any reads prior to this date being used in future AQ reviews.	Agreed at PN UNC to retain AQ Backstop Date applied during AQ review & migrate to new UKLink.	PNID	AQ review Backstop Date applied		None
			1 st April 2017	Backstop date applied upto 2016 AQ Reviews		
			1 st May 2017	Backstop date applied upto 2016 AQ Reviews		
			1 st June 2017	Backstop date applied upto 2016 AQ Reviews		
			1 st July 2017	Backstop date applied upto 2016 AQ Reviews		
			1 st August 2017	Backstop date applied upto 2016 AQ Reviews		
			1 st September 2017	Backstop date applied upto 2016 AQ Reviews		
			1 st October 2017	Backstop date applied upto 2017 AQ Reviews		

Topic	Description / Impact	Solution options	Impact by delayed implementation			Actions
BSSOQ	The BSSOQ determined during AQ review process is effective from 1 st October. BSSOQ ceases on PNID – 1 (Mod 0445).	BSSOQ only effective from 1 st October.	PNID	BSSOQ Calculated	BSSOQ Applied	None.
			1 st April 2017	N/A	N/A	
			1 st May 2017	N/A	N/A	
			1 st June 2017	N/A	N/A	
			1 st July 2017	N/A	N/A	
			1 st August 2017	N/A	N/A	
			1 st September 2017	N/A	N/A	
			1 st October 2017	N/A	N/A	
Ratchets	Ratchet season runs from 1 st October to 31 st May	If PNID is between 1 st October & 1 st June would need to consider migration of data to ensure if any Ratchets are incurred the correct values (SOQ) are applied.				Consider data migration of DM SOQ if PNID is between 1 st October & 1 st June gas day (6 th June close out).
AUG arrangements			AUG arrangements will continue until PNID when Mod 0473 AUG arrangements will be effective.			None
Mod 0516: Information provision by large Customers to aid understanding of site characteristics	Mod introduces a 'Site Characteristics Register' maintained by the GTs for large gas customers (Class 1 LDZ sites only) to provide information to the gas transporters for use in emergency plan and constraint management		None			None. Implementation stated in Mod is PNID

Topic	Description / Impact	Solution options	Impact by delayed implementation	Actions
Retrospective Updates	RAASP functionality due to be delivered October 2017			Mod to amend implementation date?
Mod 0523 Facilitation of 'faster switching' for Shared Supply Meter Points	Introduces faster switching timescales for SSMP's		Continue current timescales for transfer of ownership for SSMP until PNID.	None. Implementation stated in Mod is PNID
Mod 515 – Resolution timescales for SRVs & USRVs	Existing process to continue as per UNC. Provides the transitional arrangements for resolution of USRV's following PNID.	Legal text states that this Mod is implemented at PNID	None, current process would continue	None. Implementation stated in Mod is PNID
Gas day, change to 05:00hrs will still take place on 1st October 2015	Continue with delivery Changes the Gas Day from 06.00 to 05.00 hrs	None	None	None
Gemini	As Gemini and UKLP delivery are separate no issues are expected		None	None
CSEP processes	Continue as is. New transition arrangements and dates will be proposed once the PNID is confirmed		None. Process will remain as is until UKLP implementation	None, existing arrangements continue
All query processes and offline databases remain	Continue as is A number of processes are managed off-line e.g. Unique Sites, which will continue until PNID	No impact		None, existing arrangements continue
AQ end-of-year reconciliation (Mod 640 process)	Supply points that have moved from SSP to LSP on 1st October 2016 are subject to a reconciliation process. AOs can be Appealed until 31st December.	The adjustment is calculated on 31st December. This is an annual event following the annual AQ review process.		TBC once PNID is confirmed

Topic	Description / Impact	Solution options	Impact by delayed implementation	Actions
Mod 514: DMV continues	DM read obligations remain with the GT for a maximum of 6 months from PNID.	No impact	None	None
Mod 451AV Individual Settlements For Pre-Payment & Smart Meters	Continue service, conceptually may be issues with start and end dates of adjustments	No impact	None	None
AUGE	Current table applies until 31 March 2016. UNCC agreed in November 2014 not to commence the 2015 process to develop a Statement and Table for 2016/17.	Risk of later implementation already considered by UNCC. Current table will be rolled over or amended by UNCC to apply for the period from 1 April 2016 until Mod 432 implementation.	AUG arrangements will continue until PNID when Mod 0473 AUG arrangements will be effective.	In hand with UNCC
iGTs	Will need to keep existing systems running	None		None
0450B – Monthly revision of erroneous SSP AQs outside the User AQ Review Period	Falls away at PNID Provide Users with the ability to amend the AQs of a limited amount of SSPs each month outside the User AQ Review Period where these are erroneous	Re-introduce the SSP to SSP Appeal window.	Continue current process which will become obsolete at PNID	None
Mod 0473 - Allocation of Unidentified gas	Allocation of Unidentified Gas from PNID	None	None	None. Implementation of Mod stated as PNID
Mod 0527 - Implementation of Annual Quantity arrangements	Validation of the AQ for a transitional period (maximum 3 years) where AQs use migrated reads for the AQ process. Migrate from the existing	Migrate from the existing UNC Annual Quantity (AQ) 'backstop' calculation arrangements	None	None, legal text covers transitional period prior to & post Implementation date

Topic	Description / Impact	Solution options	Impact by delayed implementation	Actions
(Project Nexus transitional modification)	UNC Annual Quantity (AQ) 'backstop' calculation arrangements			
Mod 0528 - Implementation of Supply Point Administration, gas allocation and settlement arrangements (Project Nexus transitional modification)	Transitional arrangements required to move from the existing regime to the new arrangements under Mod 0432		None	Implementation Date in legal text states 'Nexus Implementation Date'
Mod 0573 - deferral of implementation of elements of Retrospective Adjustment arrangements	Deferral of retro updates functionality	Assumption that retro updates functionality will be implemented 12 months after PNID	Legal text states: A User may not submit a Retrospective Data Update in accordance with TPD Section M4.3 on a Day prior to 1 October 2017	Update to the legal text required. Legal text states: A User may not submit a Retrospective Data Update in accordance with TPD Section M4.3 on a Day prior to 1 October 2017
Modification 0528 – Project Nexus Transitional Arrangements	Modification provides the business rules for the transition from the current to the new arrangements (Mod 0432)		Rules & dates will need to be revised once the PNID is confirmed	Review Transition BRD & Modification

2.2 Topics Related to Industry & Regulatory Change

Topic	Description / impact	Solution options	Impact by delayed implementation	Actions
FGO	Should Project Nexus be delayed beyond 1st April 2017 then FGO Phase 2 implementation may also need to be deferred. This is because the legal text developed for the proposed UNC Modification 0565/DSC arrangements is predicated on the UNC provisions pertaining to UNC Modification 0432 (Project Nexus) being in place. It would be impractical both now and nearer the time to develop transitional provisions for the intervening period due to the complexity of UNC drafting and risk to current FGO delivery. Consideration of this and other associated implications should be subject to further discussion with all relevant stakeholders (NGG consultation response)		<p>Funding changes so that Shippers and IGTs as well as GDNs and NTS pay Xoserve for services</p> <p>New contractual arrangements between industry participants</p> <p>Significant changes to the UNC and IGT UNC legal text to implement these changes</p>	TBD
Performance Assurance Framework	Mod 0520A: Performance Assurance Reporting		Mod introduces low level reporting arrangements for the key industry inputs which impact accurate settlement allocation. Reporting defined for both pre & post PNID.	None. Implementation stated in Mod is PNID
Priority Services register	Sharing of vulnerable customer information within and between gas, electricity (and water) industries		Changes due to be implemented June 2017. This would have provided 8 months following October 2016 to assess & make the changes required. A delay to the October 2016 Nexus implementation date may threaten the June 2017 implementation date for the changes to the new vulnerable customer arrangements	TBD

Topic	Description / impact	Solution options	Impact by delayed implementation	Actions
CMA remedies	<ul style="list-style-type: none"> • Development of new licences • Significant amendments to codes • The design of new strategic modification processes – from DECC’s strategic policy statement to code modifications and systems delivery 		None Volume of meter readings will potentially increase. Impacts on system capacity.	None
DCC implementation	Implementation of DCC & smart metering arrangements		All functionality & reporting will be implemented into existing UKLink therefore no impact	None
Central Registration Services				TBD
NGGD Separation	Separation of National Grid Distribution from National Grid Transmission			TBD
Faster switching programme				TBD