

Impact Assessment:

Delay to Project Nexus Implementation Date

A report for the Distribution Workgroup

Version	Date
1.0	27 th October 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. It was confirmed at the Project Nexus Steering Group (PNSG) meeting on 20th September 2016 that the PNID will be 1st June 2017 with a contingency date of 1st July 2017.

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 Xoserve directly or Modifications

Topic	Description	Solution options	Impact by delayed implementation	Actions
Demand estimation formula	The new demand estimation formula 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 PNID.	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 PNID.	Mod 0445 cannot be delivered until PNID. Mod 0478 expires on 06.00 on "Project Nexus Go Live Date".	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.	None	DMV service continues until 6 months after new PNID.	None. Implementation date states PNID

Topic	Description	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.		<table border="1"> <thead> <tr> <th data-bbox="1093 284 1256 427">PNID</th> <th data-bbox="1256 284 1424 427">Snapshot date for Formula Year AQ</th> <th data-bbox="1424 284 1592 427">Date next snapshot taken (date)</th> <th data-bbox="1592 284 1765 427">Date effective</th> </tr> </thead> <tbody> <tr> <td data-bbox="1093 427 1256 496">1st June 2017</td> <td data-bbox="1256 427 1424 496">01/05/2017</td> <td data-bbox="1424 427 1592 496">01/12/2017</td> <td data-bbox="1592 427 1765 496">01/04/2018</td> </tr> <tr> <td data-bbox="1093 496 1256 564">1st July 2017</td> <td data-bbox="1256 496 1424 564">01/06/2017</td> <td data-bbox="1424 496 1592 564">01/12/2017</td> <td data-bbox="1592 496 1765 564">01/04/2018</td> </tr> </tbody> </table> <p data-bbox="1093 564 1765 783">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 (in order for the Confirmation to be submitted).</p>				PNID	Snapshot date for Formula Year AQ	Date next snapshot taken (date)	Date effective	1 st June 2017	01/05/2017	01/12/2017	01/04/2018	1 st July 2017	01/06/2017	01/12/2017	01/04/2018	A Modification will be required to carry out an AQ review outside of the AQ review timescales stated in UNC
PNID	Snapshot date for Formula Year AQ	Date next snapshot taken (date)	Date effective																
1 st June 2017	01/05/2017	01/12/2017	01/04/2018																
1 st July 2017	01/06/2017	01/12/2017	01/04/2018																
Annual AQ process	The annual AQ review process commences in January for 'trial calc' & continues until 1 st October when the revised AQ is effective.		<table border="1"> <thead> <tr> <th data-bbox="1093 826 1323 863">PNID</th> <th data-bbox="1323 826 1637 863">AQ Snapshot for PNID</th> </tr> </thead> <tbody> <tr> <td data-bbox="1093 863 1323 900">1st June 2017</td> <td data-bbox="1323 863 1637 900">1st May 2017</td> </tr> <tr> <td data-bbox="1093 900 1323 936">1st July 2017</td> <td data-bbox="1323 900 1637 936">1st June 2017</td> </tr> </tbody> </table>				PNID	AQ Snapshot for PNID	1 st June 2017	1 st May 2017	1 st July 2017	1 st June 2017	A Modification will be required to carry out an AQ review outside of the AQ review timescales stated in UNC						
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 & closes on 31st July SSP AQ Appeal window re-opens on 1st October and closes on 31st May <p>Note. This also includes manual AQ process (BTU form) whereby an Appeal reference is provided in order for a the reference to be provided on the Confirmation.</p>		<table border="1"> <thead> <tr> <th data-bbox="1093 981 1256 1125">PNID</th> <th data-bbox="1256 981 1424 1125">LSP AQ Appeal window Closes</th> <th data-bbox="1424 981 1592 1125">SSP AQ Appeal window Closes</th> <th data-bbox="1592 981 1765 1125">Outstanding Appeals invalidated</th> </tr> </thead> <tbody> <tr> <td data-bbox="1093 1125 1256 1193">1st June 2017</td> <td data-bbox="1256 1125 1424 1193">31/03/2017</td> <td data-bbox="1424 1125 1592 1193">31/03/2017</td> <td data-bbox="1592 1125 1765 1193">30/04/2017</td> </tr> <tr> <td data-bbox="1093 1193 1256 1262">1st July 2017</td> <td data-bbox="1256 1193 1424 1262">30/04/2017</td> <td data-bbox="1424 1193 1592 1262">30/04/2017</td> <td data-bbox="1592 1193 1765 1262">31/05/2017</td> </tr> </tbody> </table> <p data-bbox="1093 1262 1765 1391">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>				PNID	LSP AQ Appeal window Closes	SSP AQ Appeal window Closes	Outstanding Appeals invalidated	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	Appeal window will re-open. Date Appeal window closes would depend on PNID
PNID	LSP AQ Appeal window Closes	SSP AQ Appeal window Closes	Outstanding Appeals invalidated																
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Topic	Description	Solution options	Impact by delayed implementation			Actions									
			Note: A Confirmation against an appeal with a confirmation effective date after the date the Appeal is invalidated will be rejected												
AQ Amendments process	AQ Amendments process challenges the AQ calculated. The window opens 1 st June & closes 13th August.		<table border="1"> <tr> <td>PNID</td> <td>AQ Amendment window Closes</td> <td>Last AQ Amendment</td> </tr> <tr> <td>1st June 2017</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>1st July 2017</td> <td>N/A</td> <td>N/A</td> </tr> </table>	PNID	AQ Amendment window Closes	Last AQ Amendment	1 st June 2017	N/A	N/A	1 st July 2017	N/A	N/A			None. The Amendment window will not re-open.
PNID	AQ Amendment window Closes	Last AQ Amendment													
1 st June 2017	N/A	N/A													
1 st July 2017	N/A	N/A													
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.		<table border="1"> <tr> <td>PNID</td> <td>Threshold Crossers determined</td> <td>Invoice Issued</td> </tr> <tr> <td>1st June 2017</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>1st July 2017</td> <td>N/A</td> <td>N/A</td> </tr> </table>	PNID	Threshold Crossers determined	Invoice Issued	1 st June 2017	N/A	N/A	1 st July 2017	N/A	N/A			None
PNID	Threshold Crossers determined	Invoice Issued													
1 st June 2017	N/A	N/A													
1 st July 2017	N/A	N/A													
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.	<table border="1"> <tr> <td>PNID</td> <td>AQ review Backstop Date applied</td> </tr> <tr> <td>1st June 2017</td> <td>Backstop date applied upto 2016 AQ Reviews</td> </tr> <tr> <td>1st July 2017</td> <td>Backstop date applied upto 2016 AQ Reviews</td> </tr> </table>	PNID	AQ review Backstop Date applied	1 st June 2017	Backstop date applied upto 2016 AQ Reviews	1 st July 2017	Backstop date applied upto 2016 AQ Reviews			None			
PNID	AQ review Backstop Date applied														
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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.	<table border="1"> <tr> <td>PNID</td> <td>BSSOQ Calculated</td> <td>BSSOQ Applied</td> </tr> <tr> <td>1st June 2017</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>1st July 2017</td> <td>N/A</td> <td>N/A</td> </tr> </table>	PNID	BSSOQ Calculated	BSSOQ Applied	1 st June 2017	N/A	N/A	1 st July 2017	N/A	N/A			None.
PNID	BSSOQ Calculated	BSSOQ Applied													
1 st June 2017	N/A	N/A													
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Topic	Description	Solution options	Impact by delayed implementation	Actions
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 for PNID of 1 st June gas day (6 th June close out).
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
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	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	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

Topic	Description	Solution options	Impact by delayed implementation	Actions
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	A number of processes are managed off-line e.g. Unique Sites, which will continue until PNID	No impact		None, existing arrangements continue
Mod 514: DMV	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
0450B – Monthly revision of erroneous SSP AQs outside the User AQ Review Period	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

Topic	Description	Solution options	Impact by delayed implementation	Actions
Mod 0527 - Implementation of Annual Quantity arrangements (Project Nexus transitional modification)	Validation of the AQ for a transitional period (maximum 3 years) where Aqs use migrated reads for the AQ process.	Migrate from the existing UNC Annual Quantity (AQ) 'backstop' calculation arrangements	None	None, legal text covers transitional period prior to & post 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.
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	Transition BRD to be updated & Modification raised / amended

2.2 Topics Related to Industry & Regulatory Change

Topic	Description / impact	Solution options	Impact by delayed implementation	Actions
FGO	<p>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>		<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>	None. Two sets of legal text are being developed.
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 		Volume of meter readings will potentially increase. Impacts on system capacity.	
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