

0463S:

Recognition of the '2nd January' Scottish Bank Holiday as a Business Day for Supply Point related transactions

At what stage is this document in the process?



Currently the '2nd January' Scottish Bank Holiday is a non Business Day for Processes defined in Section G and M, otherwise it is a Business day for other processes. It is proposed that this day is recognised as a Business Day in order to minimise the number of non Business days.



Responses invited by 27 January 2014.



High Impact:
None



Medium Impact:
None



Low Impact:
Shippers and Transporters

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About this document:

This Draft Modification Report is issued for consultation responses, at the request of the Panel on 19 December 2013. All parties are invited to consider whether they wish to submit views regarding this self-governance modification.

The close-out date for responses is 27 January 2014, which should be sent to enquiries@gasgovernance.co.uk. A response template, which you may wish to use, is at www.gasgovernance.co.uk/0463.

The Panel will consider the responses and agree whether or not this self-governance modification should be made.


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1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification.

Why Change?

The UNC supports customers changing Supplier within 21 calendar days, with a 7 Business Day confirmation window and an objection period with a maximum of 7 Business Days - for every Bank Holiday the objection window is reduced by one day. This creates a particularly short objection period in the Christmas/New Year period.

Solution

Removal of the '2nd January' Bank Holiday for SPA system purposes will mean that within the 'normal' Bank Holiday calendar –, i.e., no extraordinary additional Bank Holidays, e.g., jubilees and royal weddings – there will only ever be a maximum of three non Business Days in a 21 calendar period.

Section G is explicit that this particular Bank Holiday is observed. It is proposed that this reference be removed, and that this day be treated as a Business Day.

Where a manual process is required, this Bank Holiday shall still be observed.

Relevant Objectives

Implementation would have a positive effect on relevant objective f) Promotion of efficiency in the implementation and administration of the Code because it will provide greater opportunity to Shippers and Suppliers to appropriately assess Withdrawal notices in the Objection period at the most constrained time and so reduce the risk of erroneous transfers taking place.

Implementation

As this is a self-governance modification, implementation could be sixteen business days after a Modification Panel decision to implement.

2 Why Change?

An EU Directive was recently introduced to ensure that customers wishing to change Supplier might do so within three weeks – i.e. 21 calendar days. Standard Conditions of a Gas Supply Licence were amended as a result of this to add Standard Condition 14A Customer Transfer; ‘Obligation to complete a Supply Transfer within Three Weeks’.

UNC Modification 0403 was approved to help facilitate the EU Directive. In order to meet the 21 calendar day switching requirement a fixed 7 Business Day confirmation window was retained, and a flexible objection period introduced with a maximum of 7 Business Days. Flexibility was required where one or more Bank Holidays appeared in the 21 day window, and for every Bank Holiday the objection window is reduced commensurately.

Removal of this non Business Day for system purposes would eliminate the circumstance where 4 non Business Days could exist within a consecutive 21 calendar day period, under such circumstances the Objection window would be reduced to 2 full Business Days. This would mean that the Objection window should, in normal system operation, allow a minimum of 3 Business Days.

Current illustration:

Illustration 5 – 21 day window with four Bank Holidays

ENGLAND & WALES		CD		SCOTLAND		Day Type
18/12/2011	Sunday			18/12/2011	Sunday	Week End
19/12/2011	Monday			19/12/2011	Monday	Business Day
20/12/2011	Tuesday			20/12/2011	Tuesday	Business Day
21/12/2011	Wednesday			21/12/2011	Wednesday	Business Day
22/12/2011	Thursday			22/12/2011	Thursday	Business Day
23/12/2011	Friday	RQ		23/12/2011	Friday	Business Day
24/12/2011	Saturday	D-19		24/12/2011	Saturday	Week End
25/12/2011	Sunday	D-18		25/12/2011	Sunday	Week End
26/12/2011	Monday	D-17		26/12/2011	Monday	Bank Holiday
27/12/2011	Tuesday	D-16		27/12/2011	Tuesday	Bank Holiday
28/12/2011	Wednesday	D-15	Obj	28/12/2011	Wednesday	Business Day
29/12/2011	Thursday	D-14	Obj	29/12/2011	Thursday	Business Day
30/12/2011	Friday	D-13	D-7	30/12/2011	Friday	Business Day
31/12/2011	Saturday	D-12		31/12/2011	Saturday	Week End
01/01/2012	Sunday	D-11		01/01/2012	Sunday	Week End
02/01/2012	Monday	D-10		02/01/2012	Monday	Bank Holiday
03/01/2012	Tuesday	D-9		03/01/2012	Tuesday	Scottish Bank Holiday
04/01/2012	Wednesday	D-8	D-6	04/01/2012	Wednesday	Business Day
05/01/2012	Thursday	D-7	D-5	05/01/2012	Thursday	Business Day
06/01/2012	Friday	D-6	D-4	06/01/2012	Friday	Business Day
07/01/2012	Saturday	D-5		07/01/2012	Saturday	Week End
08/01/2012	Sunday	D-4		08/01/2012	Sunday	Week End
09/01/2012	Monday	D-3	D-3	09/01/2012	Monday	Business Day
10/01/2012	Tuesday	D-2	D-2	10/01/2012	Tuesday	Business Day
11/01/2012	Wednesday	D-1	D-1	11/01/2012	Wednesday	Business Day
12/01/2012	Thursday	SSD		12/01/2012	Thursday	Business Day
13/01/2012	Friday			13/01/2012	Friday	Business Day

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Proposed calendar illustration:

Illustration 5 – 21 day window with three Bank Holidays

ENGLAND & WALES		CD	BD	SCOTLAND		Day Type
18/12/2011	Sunday			18/12/2011	Sunday	Week End
19/12/2011	Monday			19/12/2011	Monday	Business Day
20/12/2011	Tuesday			20/12/2011	Tuesday	Business Day
21/12/2011	Wednesday			21/12/2011	Wednesday	Business Day
22/12/2011	Thursday			22/12/2011	Thursday	Business Day
23/12/2011	Friday	RO 21	RQ	23/12/2011	Friday	Business Day
24/12/2011	Saturday	D 20		24/12/2011	Saturday	Week End
25/12/2011	Sunday	D 19		25/12/2011	Sunday	Week End
26/12/2011	Monday	D 18		26/12/2011	Monday	Bank Holiday
27/12/2011	Tuesday	D 17		27/12/2011	Tuesday	Bank Holiday
28/12/2011	Wednesday	D 16	Obj	28/12/2011	Wednesday	Business Day
29/12/2011	Thursday	D 15	Obj	29/12/2011	Thursday	Business Day
30/12/2011	Friday	D 14	Obj	30/12/2011	Friday	Business Day
31/12/2011	Saturday	D 13		31/12/2011	Saturday	Week End
01/01/2012	Sunday	D 12		01/01/2012	Sunday	Week End
02/01/2012	Monday	D 11		02/01/2012	Monday	Bank Holiday
03/01/2012	Tuesday	D 10	D-7	03/01/2012	Tuesday	Business Day
04/01/2012	Wednesday	D 9	D-6	04/01/2012	Wednesday	Business Day
05/01/2012	Thursday	D 8	D-5	05/01/2012	Thursday	Business Day
06/01/2012	Friday	D 7	D-4	06/01/2012	Friday	Business Day
07/01/2012	Saturday	D 6		07/01/2012	Saturday	Week End
08/01/2012	Sunday	D 5		08/01/2012	Sunday	Week End
09/01/2012	Monday	D 4	D-3	09/01/2012	Monday	Business Day
10/01/2012	Tuesday	D 3	D-2	10/01/2012	Tuesday	Business Day
11/01/2012	Wednesday	D 2	D-1	11/01/2012	Wednesday	Business Day
12/01/2012	Thursday	SRD 1	SRD	12/01/2012	Thursday	Business Day
13/01/2012	Friday			13/01/2012	Friday	Business Day

Some Transporter processes, such as referrals, require manual intervention. Therefore, it is proposed that this bank Holiday would continue to be observed for such purposes.

3 Solution

It is proposed that the explicit reference to the first business day following the 1st January 'as set out in TPD Section G 1.10.1 (b) be removed.

It is proposed that the distinction be retained between the rest of the UNC and Sections G and M. This may retain the flexibility to define separate non Business Days for such sections, as has been considered previously. i.e. this is a Business Day for SPA systems only.

User Pays
Classification of the modification as User Pays, or not, and the justification for such classification.
This is not classed as a User Pays modification because it's an update of an extra day to a standing data table that is populated as a matter of course annually and not a change to central systems. In addition it does not create or amend a User Pays service.
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.
N/A
Proposed charge(s) for application of User Pays charges to Shippers.
N/A
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.
N/A

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

Impacts to Relevant Objectives

Implementation would have positive impacts to f) Promotion of efficiency in the implementation and administration of the Code because adding an additional Business Day at the most constrained period will provide greater opportunity to Shippers and Suppliers to appropriately assess Withdrawal notices in the Objection period. This reduces the risk of erroneous transfers taking place which require corrective actions at a later date, therefore promoting efficiency in the implementation and administration of the Code.

5 Implementation

As this is a self-governance modification, implementation could be sixteen business days after a Modification Panel decision to implement.

6 Legal Text

The Text published alongside this report has been prepared by Scotia Gas Network, at the request of the Modification Panel, and no issues were raised by the Workgroup regarding its content.

7 Recommendation

The Panel have recommended that this report is issued to consultation and all parties should consider whether they wish to submit views regarding this self-governance modification.