

# 0522:

## Inclusion of email as a valid UNC communication

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

This modification sets out the governance rules for email UNC communications.



The Workgroup recommends that this modification should now proceed to consultation.



High Impact:



Medium Impact:  
[UNC Parties]



Low Impact:  
[DNOs, Users]

Contents		 Any questions?
<b>1</b>	<b>Summary</b>	<b>3</b>
<b>2</b>	<b>Why Change?</b>	<b>4</b>
<b>3</b>	<b>Solution</b>	<b>4</b>
<b>4</b>	<b>Relevant Objectives</b>	<b>6</b>
<b>5</b>	<b>Implementation</b>	<b>6</b>
<b>6</b>	<b>Impacts</b>	<b>7</b>
<b>7</b>	<b>Legal Text</b>	<b>7</b>
<b>8</b>	<b>Recommendation</b>	<b>7</b>
<b>About this document:</b>		
This report will be presented to the panel on 20 August 2015.		
The panel will consider whether the modification should proceed to consultation or be returned to the workgroup for further assessment.		
The Workgroup recommends the following timetable:		
Initial consideration by Workgroup	28 August 2014	
Amended Modification considered by Workgroup	23 July 2015	
Workgroup Report presented to Panel	07 August 2015	
Draft Modification Report issued for consultation	21 August 2015	
Consultation Close-out for representations	25 September 2015	
Final Modification Report presented to Panel	29 September 2015	
UNC Modification Panel decision	15 October 2015	
		 <a href="mailto:enquiries@gasgovernance.co.uk">enquiries@gasgovernance.co.uk</a>
		 0121 288 2107
		Proposer: <b>Colette Baldwin</b>
		 <a href="mailto:Colette.baldwin@eonenergy.com">Colette.baldwin@eonenergy.com</a>
		Transporter: <b>Northern Gas Networks</b>
		 <a href="mailto:aross@northerngas.co.uk">aross@northerngas.co.uk</a>
		Systems Provider: <b>Xoserve</b>
		 <a href="mailto:commercial.enquiries@xoserve.com">commercial.enquiries@xoserve.com</a>

# 1 Summary

## Is this a Self-Governance Modification?

The Modification Panel determined that the criteria for Self-Governance are not met for 0522 as this modification is expected to have a material impact on competition, the operation of gas networks or the Modification Rules. The Workgroup agreed with the Modification Panel as this modification is putting in place rules to manage the governance of UNC email communications.

## Why Change?

At the time of the implementation of the original Network Code in 1995, fax was a more common form of business communication while email was in its infancy. Since then email has superseded fax as a more efficient and common form of business communication but remains disallowed as an official form of UNC communication in most circumstances, despite all relevant parties using it across other aspects of their business.

A number of Modification Proposals both in the Gas and Electricity markets have allowed limited use of email communications in specific circumstances, specifically UNC Modification Proposal 033, 'Notification to Users of Emergency Incidents – Impacts on Code Communications' and Balancing and Settlement Code Modification Proposals P113, 'Email Communication under the Code' and P159, 'Extending the Scope of E-mail Communications under the Code'. Since these proposals there has been little expansion of the use of email as an allowable code communication in the Gas Industry despite its widespread use in daily communication both with internal and external parties.

The proposer believes that it is time to update the industry arrangements to reflect the technology changes and put in place mechanisms to update agreed communication channels between parties.

## Solution

It is proposed that business rules to ensure that appropriate assurance is in place to be satisfied that communication between parties has been successfully achieved when email is used as the communication method.

## Relevant Objectives

Implementation of this Modification Proposal would further Special Condition A11.1 (f), the promotion of efficiency in the implementation and administration of the Code as it implements existing best practise regarding the inclusion of email as a communication format across the industry.

## Implementation

No implementation timescales are proposed. However, as this modification has no systems impacts, implementation could be immediately following and Authority decision to do so.

## Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No. However, it should be noted that Project Nexus systems are being built with requirements to allow the use of email for certain Code communications.

## 2 Why Change?

Email has superseded fax as a more efficient and common form of business communication but remains disallowed as an official form of UNC communication, despite all relevant parties using it across other aspects of their business.

UNC Modification Proposal 033, 'Notification to Users of Emergency Incidents – Impacts on Code Communications', extended allowable forms of communication to include internet and email to aid Transporters in complying with the provisions detailed within the Shipper Incident Communication Procedure (SICP) and was implemented in 2005. In addition, allowable email communications were extended with the implementation of Modification 0479 - 0479S - Inclusion of email as a valid UNC communication

Where formal communication grants rights or imposes obligations on parties, the deemed sending/receipt for email communication is not sufficient to bind the parties contractually and it is important that the network code reflects the necessary safeguards needed to ensure that there is the "meeting of minds" in the evolution of that contractual relationship between the parties.

The rules need to reflect the ability of the parties to communicate and recognise that there are some technical challenges that interrupt the instantaneous communication that emails offer, for example some email systems are set up such that they automatically return emails if they detect what they believe to be a virus/Trojan horse/spyware.

## 3 Solution

In light of Ofgem's comments in their former decision documents we propose therefore to amend General Terms B of the UNC to allow e-mail as a valid communication notice alongside post and facsimile and that appropriate business rules are developed that address:

- How consent to receive and send email communication is established and maintained
- Determining whether communication has been achieved and setting out obligations to manage "Non-delivery" notices

### Draft Business Rules

1. Transporters to request confirmation of valid relevant email addresses from Registered Users on implementation and in future as new Users accede to the code
2. Transporters to create and update a register of Registered Users valid email addresses.
3. A Code Communication User will be responsible for being the primary person to contact to resolve communication failures.
4. Registered Users to provide 20 days' notice of any changes of email address to the Transporters which will be updated by the Transporter within 5 business days of receipt.
5. Transporters to provide 20 days' notice of any changes of email address to the Registered Users which will then be updated by the User within 5 business days of receipt.
6. For clarity...an e-mail must "reach" the addressee. This means it must have been delivered and accepted on to the addressee's server. For the avoidance of doubt, this does not require the addressee to have retrieved or read the communication – unless that express requirement is agreed in advance by both parties; it does mean the sender must have used the valid email address as provided by the recipient for that communication type. (It is within the addressee's "sphere of influence" to provide for adequate means to ensure that their internal communication functions satisfactorily).
7. The email communication shall be deemed to have been received one hour after being sent in the absence of any non-delivery return receipt received by the sender during that period.
8. Any non-delivery notification received by the Sender must be acted upon by the Sender within 1 hour of receipt of the non-delivery notice. For the avoidance of doubt, non-delivery notifications will invalidate the deemed communication. If the communication attempts to confer rights or obligations, the Sender will contact the Registered User to resolve the non-delivery before resending.
9. If the time at which any notice or communication sent by e-mail is deemed to have been received falls after 1700 hours on a day, the notice or communication shall be deemed to have been received at the start of the next Business Day.
10. Where a notice is sent by e-mail, the Party giving the notice shall if requested by the recipient Party, resend as soon as reasonably practicable the notice by e-mail.
11. In the event of non-delivery notification being unresolved, deemed receipt (and any consequential actions) will only result from the 'official' post or fax versions of the communications. Since these exceptions should represent 'one-off' or rare communications, any inefficiency in continuing to issue these by post or fax will be minimal.

### User Pays

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

There are no anticipated costs to the implementation or operation of this proposal. No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as 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.	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

Implementation of this modification would further Special Condition A11.1 (f), the promotion of efficiency in the implementation and administration of the Code as it implements existing best practise regarding email use across the industry.

## 5 Implementation

No implementation timescales are proposed. However, as this modification has no systems impacts, implementation could be immediately following and Authority decision to do so.

## 6 Impacts

### Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No, see below.

### Project Nexus Implementation

It should be noted that Project Nexus systems are being built with requirements to allow the use of email for certain Code communications.

## 7 Legal Text

*While the Proposer is welcome to put forward suggested legal text, formal legal text and commentary will be provided by the Transporters when requested to do so by the Modification Panel.*

*If this is a proposed Fast Track Self-Governance modification then legal drafting and commentary must be provided.*

### Text Commentary

*In support of the legal text provided, the legal representative shall provide a plain English explanatory note setting out the approach taken to converting the Solution into legal text, illustrating how the legal text delivers the intent of the Solution.*

Insert text here

### Text

The following Text has been prepared by Northern Gas Networks ....

## 8 Recommendation

The Workgroup invites the Panel to:

- AGREE that this modification should be issued to consultation.