

0532:

Implementation of Non Effective Days (Project Nexus transitional modification)

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

This Modification Proposal identifies arrangements relating to the requirement for 'non-effective days' to enable an orderly and efficient transition from current UNC arrangements to the UNC regime identified with UNC Modifications 0432, 0434 and 0440



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



High Impact: Large Transporters and Shipper Users

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About this document:															
<p>This modification will be presented by the proposer to the panel on 19th March 2015.</p> <p>The panel will consider the proposer's recommendation and agree whether this modification should be:</p> <ul style="list-style-type: none"> referred to a workgroup for assessment. 															
<p>The Proposer recommends the following timetable:</p> <table border="1"> <tbody> <tr> <td>Initial consideration by Workgroup</td> <td>25 March 2015</td> </tr> <tr> <td>Amended Modification considered by Workgroup</td> <td>10 November 2015</td> </tr> <tr> <td>Workgroup Report presented to Panel</td> <td>08 December 2015</td> </tr> <tr> <td>Draft Modification Report issued for consultation</td> <td>17 December 2015</td> </tr> <tr> <td>Consultation Close-out for representations</td> <td>14 January 2016</td> </tr> <tr> <td>Final Modification Report published for Panel</td> <td>15 January 2016</td> </tr> <tr> <td>UNC Modification Panel decision</td> <td>21 January 2015</td> </tr> </tbody> </table>		Initial consideration by Workgroup	25 March 2015	Amended Modification considered by Workgroup	10 November 2015	Workgroup Report presented to Panel	08 December 2015	Draft Modification Report issued for consultation	17 December 2015	Consultation Close-out for representations	14 January 2016	Final Modification Report published for Panel	15 January 2016	UNC Modification Panel decision	21 January 2015
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<p> Any questions?</p> <p>Contact: Code Administrator</p> <p> enquiries@gasgovernance.co.uk</p> <p> 0121 288 2107</p> <p>Proposer: Chris Warner</p> <p> chris.warner@nationalgrid.com</p> <p> 07778 150668</p> <p>Transporter: National Grid Distribution</p> <p>Systems Provider: Xoserve</p> <p> commercial.enquiries@xoserve.com</p>															

1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is not a self-governance modification because it is likely to have a material impact on existing and new gas consumers and competition in the shipping, transportation or supply of gas conveyed through pipes. This is because the consequences of the implementation of non-effective days are that the transfer of Shipper User registration timescales would be longer than normal.

The workgroup agreed with the Panel view on Self-Governance as the modification would have a short term impact on consumers.

Why Change?

As part of the UK-Link Replacement programme, UNC Modifications 0432, 0434 and 0440 will be implemented on the Project Nexus Implementation Date. This has been agreed as being 1st October 2016. To enable a smooth and efficient transition to the new supporting systems it is necessary to set out terms within the UNC Transition Document which identify the dates when the UK-Link systems will be taken off-line and will therefore not be available for normal systems transactions as identified within the UNC.

Solution

Modification of the UNC is required to identify and incorporate 7 'non-effective days' within the UNC Transition Document.

Relevant Objectives

This modification is required to enable implementation of the UK-Link Replacement programme. The measures identified can therefore be expected to facilitate relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code.

Given that the effect of the modification would be to extend the timescales for transfer of Shipper User within the transition period there could be a minor negative effect on competition between Shippers. This Modification therefore does not facilitate relevant objective d) Securing of effective competition between Shipper Users.

Implementation

No implementation timescales are proposed. However, this Modification could be implemented upon direction. It would be desirable if this Modification were implemented by 01 April 2016 in the interests of adding certainty to the transition process for the UK-Link replacement programme.

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

This modification impacts the industry programme for replacement of UK-Link systems. This is because it is necessary to make provision in the UNC for activities (such as those associated with Supply Point Administration) where non-availability of the UK-Link system has a direct consequences for Shipper Users, Suppliers and ultimately consumers.

It is essential to the success of the UK Link Replacement Programme.

2 Why Change?

A number of UNC 'non-effective days' are required to facilitate 'cutover' to the new systems being introduced by the Transporters Agency, Xoserve under the UK-Link replacement programme.

For the purposes of clarity it is important to distinguish a non-effective day from a non-Business Day. A non-Business Day is reflected within the exceptions described within TPD Sections G1.10 - i.e. those Days which are other than a Business Day. Shipper Users may continue to submit Supply Point Administration (SPA) files on non-Business Days but any such files would not be processed. In contrast, all UK-Link systems activity concerned with TPD Sections G and M, in particular that associated with updates to the Supply Point Register is suspended on a non-effective day.

To enable implementation of the UK-Link replacement programme in line with the Project Nexus Implementation Date it is essential that a number of non-effective days are introduced to the UNC Transition Document.

This Modification Proposal is one of a suite of 'complementary' proposals, the others being associated with Supply Point Administration, gas settlement & reconciliation, Annual Quantity (AQ) 'backstop' Meter Readings and Retrospective Adjustment.

The changes within this Proposal were previously contained within UNC Modification Proposal 0528. It was subsequently identified during Workgroup discussion that there is some uncertainty as to when the required non-effective days will be known and the effects implementation of such would have on Shippers, Suppliers and consumers. Consequently to avoid unnecessary delay to development and approval of Modification 0528, the Proposer removed this component from Modification Proposal 0528.

3 Solution

Modification of the UNC is required to identify and incorporate a number of 'non-effective days' within the UNC Transition Document.

Non-effective days constitute UNC non-Business Days but with the following additional features:

- No Supply Point Confirmations can be submitted or become effective.
- No revision of the Supply Point Register can be made.
- The non-effective days are to apply to UNC TPD Sections G and M. None of the following Code Communications may be made: Supply Point Enquiry, Supply Point Nomination, Supply Point Offer, Supply Point Confirmation, Supply Point Objection, Supply Point Withdrawal, request for Isolation, application to increase or reduce Supply Point Capacity, Revisions to Annual Quantity or Supply Point Offtake Rate, NDM Meter Reading and Meter Information Notifications including Meter Information Update Notifications.
- No communication (under the Code or any other contract between the Transporters and Users) pursuant to which Transporter would be required to revise the Supply Point Register (being the Sites and Meters database), may be made.
- The above suspensions shall also apply with respect to Supply Points known as 'unique sites', including Shared Supply Meter Points (SSMPS) including the notification and gas allocation processes associated with such Supply Meter Points. Daily Metered 'mandatory site' (DMM) liability relief.

- Liability relief related to the processes described above being subject to the Non Effective Days – i.e. Supply Point Offers, Supply Point Nominations (specifically Referrals) and updates to the Supply Point Register where the Meter Installation Works is completed by the Transporter.
- Liability relief is also required for the period with respect to query resolution for invoicing and operational queries.

The 7 non-effective days are Saturday 24th to Friday 30th September 2016 inclusive. These will all be prior to the Project Nexus Implementation Date.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	Costs arising from the UK Link replacement and including enhancements to the existing UNC regime have been considered when price controls were set and funding provided. On this basis, 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.	Not applicable
Proposed charge(s) for application of User Pays charges to Shippers.	Not applicable
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	Not applicable

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.	Negative Impact
e) Provision of reasonable economic incentives for relevant suppliers to	None

secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	
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

This modification is required to enable the implementation of the UK-Link Replacement programme (including the arrangements identified within Project Nexus UNC Modifications 0432, 0434 and 0440) allowing the transition from current systems and processes to the new versions. The measures identified can therefore be expected to facilitate relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code.

Given that the effect of the modification would be to extend the timescales for transfer of Shipper User, within the transition period, there could be a minor negative effect on competition between Shippers and consumers. **However, this would need to be taken in context with the positive impacts identified due to the implementation of Project Nexus UNC Modifications 0432, 0434 and 0440 and could therefore be considered immaterial.** This modification therefore ~~impacts does not facilitate~~ relevant objective d) Securing of effective competition between Shipper Users.

5 Implementation

No implementation timescales are proposed. However, this Modification could be implemented upon direction. It would be desirable if this Modification were implemented by 01 April 2016 to add certainty to the transition process for implementation of the UK-Link replacement programme.

6 Impacts

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

This modification is essential to the implementation of the UK Link Replacement programme (which incorporates the changes required for Project Nexus). The rationale for this is explained below.

Pre Project Nexus Implementation

The changes will affect the UK Link Replacement programme prior to implementation. This is because it is necessary for the purposes of the lead period to 'cut over' to new systems that the UK-Link system is suspended.

Project Nexus Implementation

It is essential that clarity is forthcoming regarding the application of 'non-effective days for systems 'cut over' in the period up to the Project Nexus Implementation Date.

Post Project Nexus Implementation

This modification contains transitional terms and the obligations which will expire over time.

7 Legal Text

Text

Legal Text and commentary will be provided at an appropriate point during assessment at Workgroup.

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 X, and no issues were raised by the Workgroup regarding its content.

or

Text was not available for Workgroup assessment. However Text has been provided as a separate document published alongside this report.

or

The following Text has been prepared by X at the request of the Modification Panel.

8 Recommendation

The Workgroup invites the Panel to:

- AGREE that this modification should be submitted for consultation.