













Stage 01: Modification	At what stage is this document in the process?
<h1>0531:</h1> <h2>Provision of an Industry User Test System</h2>	<div> <div>01</div> <div>Modification</div> </div> <div> <div>02</div> <div>Workgroup Report</div> </div> <div> <div>03</div> <div>Draft Modification Report</div> </div> <div> <div>04</div> <div>Final Modification Report</div> </div>
<p>This modification seeks to put an obligation on the Transporters to provide a testing system and regime that will provide flexibility to Users to support their testing requirements for changes post Project Nexus go live. This will enable all parties to gain confidence that changes to their systems identified post Nexus go live will not have any detrimental impacts to the new systems implemented under Project Nexus. Future testing requirements post Nexus go live will be placed under the control of the UK Link Committee.</p>	
	<p>The Workgroup recommends that this modification should be:</p> <ul style="list-style-type: none"> returned to Workgroup for further assessment.
	<p>High Impact: Shippers, Transporters' Agent</p>
	<p>Medium Impact:</p>
	<p>Low Impact:</p>

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<p>This report will be presented to the panel on 19 May 2016.</p> <p>The panel will consider whether the modification should proceed to consultation or be returned to the workgroup for further assessment.</p> <p>The Workgroup recommends the following timetable:</p> <table><tr><td>Initial consideration by Workgroup</td><td>10 March 2015</td></tr><tr><td>Amended Modification considered by Workgroup</td><td>06 June 2016</td></tr><tr><td>Workgroup Report presented to Panel</td><td>21 July 2016</td></tr><tr><td>Draft Modification Report issued for consultation</td><td>21 July 2016</td></tr><tr><td>Consultation Close-out for representations</td><td>12 August 2016</td></tr><tr><td>Final Modification Report presented to Panel</td><td>15 August 2016</td></tr><tr><td>UNC Modification Panel decision</td><td>18 August 2016</td></tr></table>		Initial consideration by Workgroup	10 March 2015	Amended Modification considered by Workgroup	06 June 2016	Workgroup Report presented to Panel	21 July 2016	Draft Modification Report issued for consultation	21 July 2016	Consultation Close-out for representations	12 August 2016	Final Modification Report presented to Panel	15 August 2016	UNC Modification Panel decision	18 August 2016	
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1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that is not a self-governance modification because it is expected to have a material effect on commercial activities connected with the shipping of gas.

The Workgroup requests Panel to consider the self-governance status of this modification as it proposes User Pays services which should have no direct impact on consumers or competition, however, the associated costs may be material.

Is this a Fast Track Self-Governance Modification?

No. It is not a Fast Track self-governance modification as it is not a housekeeping modification.

Why Change?

The Transporters and Shippers all need confidence that as they implement changes to their systems post UK LINK Replacement Programme (Project Nexus), that they can assure themselves and gain confidence that their systems are still fit for purpose and that they will be able to be amended successfully without unexpected impacts. This modification of the UNC is required to mandate Transporters to offer the level of support in an enduring testing regime for the UK LINK Programme that Users require.

Solution

An obligation will be created on transporters to create a test environment. The solution introduces a new UNC subsidiary document “Enduring UK Link Testing Approach” that will be reviewed annually by UK Link Committee (or equivalent authority) and approved by UNCC

Relevant Objectives

This modification will provide confidence to Transporters and Shippers that any changes to the systems developed for implementation after Project Nexus will have been tested rigorously and that the market will operate effectively when changes to the Nexus requirements are implemented going forward. Therefore, the proposal is positive in respect of (d): Securing of Effective Competition between Shippers and f) Promotion of efficiency in the implementation and administration of the Code.

Implementation

No implementation timescales are proposed. However, it would be desirable for this proposal to be implemented at the earliest practical opportunity.

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

This modification would have no impact on the industry programme for replacement of UK-Link systems.

2 Why Change?

Project Nexus is introducing new systems which underpin the whole of the gas settlement regime in the UK including invoicing and settlement processes involving billions of pounds per year, and also amending the change of supplier process that covers all gas customers, including putting the iGT customers into single service provision which is being done by the Transporters’ Agent. It is probably the biggest change that has ever been made to the UK’s Gas systems. Failure of the new systems could lead to catastrophic losses for Users and have a severe detrimental impact on customers. A large market failure could also impact those Users who were operating correctly under the new arrangements as, due to the way that gas is settled, no User would be immune from a large scale failure. The absence of a testing facility that

allows parties to robustly test functionality is likely to lead to a market where the quality of data within it is degraded.

After the new systems have gone live it will be necessary to make changes to the new systems and all market participants will be required to make changes to their systems. It would be bad practice, and a high risk strategy, to promote such changes directly to production.

The Transporters and Shippers all need confidence that as they implement changes to their systems post UK LINK Replacement Programme (Project Nexus), that they can assure themselves and gain confidence that their systems are still fit for purpose and that they will be able to be amended successfully without unexpected impacts

This modification of the UNC is required to mandate Transporters to offer the level of support in an enduring testing regime for the UK LINK Programme that Shipper Users require.

3 Solution

An obligation will be created on transporters to create a test environment that will:

- be based on an agreed (at UK Link Committee or equivalent authority) version of a production environment;
- be separate from the live environment;
- apply production-standard data protection and UNC confidentiality;
- provide manufactured data (including pseudo-shipper operations for supply point administration);
- be fully representative of supply meter points datasets on the production system, and;
- be compliant with the UNC subsidiary document “Enduring UK Link Testing Approach”.

Gemini and ANS is excluded from the scope of this modification.

This solution also introduces a new UNC subsidiary document “Enduring UK Link Testing Approach” that will be reviewed annually by UK Link Committee (or equivalent authority) and approved by UNCC.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	It is believed that this modification should be a User Pays service as Users will directly benefit from the use of the testing services.
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.	TBC
Proposed charge(s) for application of User Pays charges to Shippers.	TBC
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Transporters’ Agent.	TBC

For the avoidance of doubt funding for this change excludes testing environments required for the delivery of Project Nexus functionality and its associated future phases including the RAASP functionality.

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.	Positive
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

This proposal will provide confidence to Users and transporters that changes to systems developed after Project Nexus will have been tested rigorously and that the market will continue to operate effectively after Nexus changes are implemented. Furthermore the testing framework will ensure that all future changes to and releases of the UK Link systems can be fully tested. Therefore, this proposal is positive in respect of (d): Securing of Effective Competition between Shippers and f) Promotion of efficiency in the implementation and administration of the Code.

5 Implementation

No implementation timescales are proposed. However, it would be desirable for this proposal to be implemented at the earliest practical opportunity.

6 Impacts

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

This modification would not impact the industry programme for replacement of UK-Link systems (Nexus) as it is not envisaged that implementation will be before Nexus go-live.

7 Legal Text

Text Commentary

[Insert text here]

Text

[The following Text has been prepared by National Grid Distribution, and no issues were raised by the Workgroup regarding its content.]

8 Recommendation

The Workgroup invites the Panel to:

- AGREE that this modification should be returned to Workgroup for further assessment.

The Workgroup requests Panel to allow additional time for further assessment of the modification as the scope has now changed so that implementation of a test environment would be post Project Nexus implementation. The additional time would allow for development of the solution, associated guidance documents, ROM and legal text to be completed before being issued to consultation.