

Stage 01: Modification

0479S A

Inclusion of email as a valid UNC communication (Alternate)

At what stage is this document in the process?

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

This Modification Proposal would allow email as a valid form of UNC communication in specific circumstances.



The Proposer recommends that this modification should be (*delete as appropriate*):

- assessed by a Workgroup



High Impact:



Medium Impact:
UNC Parties



Low Impact:

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About this document:

This modification will be presented by the proposer to the panel on 21 Aug 2014.

The panel will consider the proposer's recommendation and agree whether this modification should be:

- Referred to a workgroup for assessment.


Any questions?
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Additional contacts: Insert name
 email address.
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1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that the criteria for Self-Governance was met for the original modification, however this is a significant change in the way UNC parties will communicate with each other. As this could impact contractual relationships between parties we disagree that this modification meets the criteria for Self Governance as it could have a material impact on contractual relationships if important communication provisions are not managed robustly by all parties.

Is this a Fast Track Self-Governance Modification?

No

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 Since then email has superseded fax as a more efficient and common form of business communication but remains disallowed as an official form of UNC communication in most circumstances,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.

We believe 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

We propose the UNC is amended to allow e-mail as a valid form of communication. We propose that email only be allowed where there is prior election/agreement by both parties to email communication for specific communications. We propose business rules are included to ensure that appropriate assurance is in place to be satisfied that communication between parties has been successfully achieved.

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

Appendix 5B of the UK Link manual needs to be reviewed and updated to reflect the new communication options available, and Xoserve will need to hold User specific information on agreed communication options for each of the items within the UK Link Appendix. Implementation timeframes will be dependent up a system assessment once the business rules have been agreed by the workgroup.

Does this modification affect the Nexus delivery, if so, how?

No

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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.

Arguments in favour of allowing internet and email communication included 'improved operational efficiencies', 'real-time updates to Users' and 'improved quality of information'. Ofgem's decision letter stated their support for 'the use of internet and email facilities where they bring efficient gains'. They also stated their expectation that appropriate levels of security would be put in place regarding internet and email security and we would expect this to also apply wherever email communications were allowed as a result of this proposal being implemented.

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:

- What can be communicated by email and how that is agreed
- 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
- How UK Link manages changes to Appendix 5B

Draft Business Rules

Agree what may be communicated by email

1. One Party to have the right to propose the use of email for specific purposes. Email will only be applicable if the other party agrees to the proposal.
- ~~2.~~ ~~UK Link Communications are excluded from this modification.~~
- ~~3.2.~~ Transporters to request confirmation of valid relevant email addresses from Registered Users on implementation and in future as new Users accede to the code
- ~~4.3.~~ Transporters to create and update a register of Registered Users email preferences and valid email addresses.

Maintain communication options data

- ~~1.4.~~ A Code Communication User will be responsible for being the primary person to contact to resolve communication failures.
- ~~2.5.~~ Registered Users to provide 20 days' notice of any changes of email address to the ~~Gas~~ Transporters which will be updated by the Transporter within 5 business days of receipt.

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3.6. 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.

Has Communication Happened?

1.8. 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).

2.9. 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.

3.10. Any non-delivery notification received by the Sender must be acted upon by the Sender within 1 hour. 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.

4.11. 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.

5.12. 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.

6.13. 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.

7.14. All of the message content subject to emails shall be in pdf or equivalent form In order to ensure that the content is fully legible to the recipient.

UK Link Communication Appendix 5B Impacts

1. UK Link Appendix 5B is to be brought up to date by the UK Link Committee to reflect current code communication channels within three months of the implementation of this modification.
2. The UK Link Committee is required to publish Appendix 5B separately from the rest of the UK Link Manual to make it easier to maintain and update.
3. The UK Link Committee must notify the UNC Committee when any proposed changes are raised, either to insert a new entry or change an existing allowed communication method in to Appendix 5B.
4. The Terms of Reference for the UK Link Committee (UKLC) will require updating to reflect this changed requirement.

User Pays

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

No new User Pays Services will be created by this proposal and therefore it is not proposed as a User Pays modification.

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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 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 practice regarding email use across the industry.

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5 Implementation

Six months after implementation if there are any system changes required, otherwise two months following of an authority decision.

6 Legal Text

To be provided by the Gas Transporter

7 Recommendation

The Proposer invites the Panel to *(delete as appropriate)*:

- Determine that this modification should not be subject to self-governance; and
- Progress to Workgroup assessment.

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