

**Workstream Report**  
**Requirement for Non-Effective Days for the Purposes of the UK Link Technology Refresh**  
**(UKLTR) Project**  
**Modification Reference Number 0179**  
Version 0.1

This Workstream Report is presented for the UNC Modification Panel's consideration. [The Distribution Workstream considers that the Proposal is sufficiently developed and should now proceed to the Consultation Phase. The Workstream also recommends that the Panel requests the preparation of legal text for this Modification Proposal.]

## **1 The Modification Proposal**

### UKLTR Background

The UK Link system is at the centre of the UK competitive gas industry. It is the system that carries all the information that enables customers to switch between suppliers. Once activated, the majority of switches take place automatically within the UK Link system. UK Link carries sites, meters and billing information along with gas Transmission data, and is used by both the gas transporters and the gas Shipper community.

The system first went live in 1996 with approximately half-a-million supply points. In 1998 the system was scaled up for domestic gas competition when a further 19 million supply points were added. Since 1998 the system has grown by a further two million supply points, and is still growing.

The last technology refresh was undertaken in 2001. IS technology has a typical shelf life of five to six years. xoserve has been monitoring the performance of the system and, following a review, it was recommended that UK Link undergoes an upgrade to its hardware, database version and application toolset. After having presented initial thoughts to various industry groups including the UK Link Committee, xoserve (in conjunction with its selected partners) started the process of UK Link Technology Refresh at the end of 2006.

UK Link Technology Refresh (UKLTR) is an upgrade of the technical components that make up Sites & Meters and xoserve's Invoicing systems. Essentially, UKLTR is an upgrade of database version, application toolset and hardware, operating and systems software.

Technology Refresh is essential to:

- Enable continued delivery of a reliable and robust set of UK Link systems
- Allow xoserve to continue to provide services on behalf of Networks
- Extend UK Link system lifetime for a further 4-6 years

Further UKLTR project information and monthly updates can be found on xoserve's website ([www.xoserve.com](http://www.xoserve.com)).

## Proposal

The implementation phase of the UKLTR will commence on Sunday 24<sup>th</sup> February 2008 and will be complete by 06:00 on Thursday 28<sup>th</sup> February 2008; this will necessitate the complete shut-down of the UK Link Systems.

It is proposed that Monday 25<sup>th</sup> and Tuesday 26<sup>th</sup> February 2008 become ‘non-effective days’ (as detailed below).

The requirements of a ‘non-effective day’ are described as follows:

- No revision of the Supply Point Register will be made
- None of the following Code Communications may be made;
  - Supply Point Nomination, Supply Point Offer, Supply Point Confirmation, Supply Point Objection, Supply Point Withdrawal , request for Isolation, notice of designation as firm or re-designation as Interruptible, application to reduce or increase Supply Point Capacity or Supply Point Offtake Rate

For the purpose of clarity it is important to distinguish a ‘non-effective day’ from a non-Business Day. A non-Business Day is regarded as a day that is specified in the exceptions within UNC TPD Sections G1.10.1 where a Business Day is defined. Users may continue to submit Supply Point Administration (SPA) files on non-Business Days but any such files would not be processed by xoserve (on behalf of the Transporters) until the following Business Day. Additionally, a non-Business Day does not form part of the Supply Point Confirmation lead time although Supply Point Registration may occur on a non-Business Day.

In contrast all SPA systems activity is suspended on a ‘non-effective day’, this concept was successfully developed and implemented for the introduction of Domestic Competition Phase III, as a Y2K contingency and, more recently in 2004, for the Review of Gas Metering Arrangements (RGMA) programme.

During the implementation phase of UKLTR (Sunday 24<sup>th</sup> to Wednesday 27<sup>th</sup> February 2008) the Transporters will be unable to issue Daily Meter Readings to Users as required by UNC TPD Sections M5.1 and M5.2 until the restoration of the relevant UK Link systems on Thursday 28 February 2008. xoserve will issue Daily Meter Readings procured over the implementation phase for the Sunday 24<sup>th</sup> to Wednesday 27<sup>th</sup> February (inclusive) as part of the catch-up processing during the implementation phase. As a consequence, the Transporters believe that it is appropriate that it should have relief from its Performance Relevant Supply Meter related obligations for 24<sup>th</sup>, 25<sup>th</sup>, 26<sup>th</sup> and 27<sup>th</sup> February 2008.

## 2 **Extent to which implementation of the proposed modification would better facilitate the relevant objectives**

**Standard Special Condition A11.1 (a): *the coordinated, efficient and economic operation of the pipe-line system to which this licence relates;***

Implementation would not be expected to better facilitate this relevant objective.

**Standard Special Condition A11.1 (b):** *so far as is consistent with sub-paragraph (a), the (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters;*

The implementation of this Modification Proposal will ensure that UK-Link systems are robust and capable of sustaining the needs of the gas industry over the next 5 years and that Transporters are not penalised for carrying out such system development.

**Standard Special Condition A11.1 (c):** *so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;*

Implementation would not be expected to better facilitate this relevant objective.

**Standard Special Condition A11.1 (d):** *so far as is consistent with sub-paragraphs (a) to (c) the 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;*

Implementation would not be expected to better facilitate this relevant objective.

**Standard Special Condition A11.1 (e):** *so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards (within the meaning of paragraph 4 of standard condition 32A (Security of Supply – Domestic Customers) of the standard conditions of Gas Suppliers' licences) are satisfied as respects the availability of gas to their domestic customers;*

Implementation would not be expected to better facilitate this relevant objective.

**Standard Special Condition A11.1 (f):** *so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code.*

The implementation of this Modification Proposal will align the obligations placed upon the Transporters with the planned UK Link Technology Refresh and clearly set out the arrangements that will be in place for the implementation phase of the project.

### **3 The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation**

No implications on security of supply, operation of the Total System or industry fragmentation have been identified.

**4 The implications for Transporters and each Transporter of implementing the Modification Proposal, including:**

**a) implications for operation of the System:**

No implications for operation of the system have been identified.

**b) development and capital cost and operating cost implications:**

There are no development and capital cost or operating cost implications associated with implementation of this Proposal.

**c) extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:**

No cost recovery is required.

**d) Analysis of the consequences (if any) this proposal would have on price regulation:**

No consequence for price regulation has been identified.

**5 The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal**

Implementation of this Proposal will create two ‘non-effective days’ which will prevent any revision to the Supply Point Register being made and the daily flow of Code Communications / SPA files will cease during the UKLTR implementation phase. Implementation also will introduce four days relief for Transporters from its Performance Relevant Supply Meter related obligations.

**6 The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users**

There are no development, or other, implications for Transporter or Users systems.

**7 The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk**

*Administrative and operational implications (including impact upon manual processes and procedures)*

During the implementation phase of UKLTR there will two ‘non-effective days’ which will prevent any revision to the Supply Point Register being made and the daily flow of Code Communications / SPA files will cease. Implementation will

introduce four days relief for Transporters from its Performance Relevant Supply Meter related obligations and Transporters will not send any Daily Meter Reads until after implementation is complete. Users will need to be prepared to receive the catch-up files following implementation.

***Development and capital cost and operating cost implications***

No such implications have been identified.

***Consequence for the level of contractual risk of Users***

No such consequences have been identified.

**8 The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party**

No such implications have been identified for any other relevant persons.

**9 Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal**

No such consequences have been identified.

**10 Analysis of any advantages or disadvantages of implementation of the Modification Proposal**

**Advantages**

- Aligns UNC Obligations with the proposed arrangements for the UK Link implementation phase
- Undue liabilities will be avoided and as a result Transporter and Industry costs will not be adversely affected

**Disadvantages**

- No disadvantages have been identified

**11 Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Workstream Report)**

No written representations have been received.

**12 The extent to which the implementation is required to enable each Transporter to facilitate compliance with safety or other legislation**

Implementation is not required in order to facilitate compliance with any notice

issued under Standard Condition A11 (14)

**13 The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence**

Implementation is not required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence.

**14 Programme for works required as a consequence of implementing the Modification Proposal**

The Proposer believes the following timescale should be followed (subject to the relevant approvals):

18<sup>th</sup> October 2007 – Modification Panel approve progressing to the Consultation Phase

2<sup>nd</sup> November 2007 – Final Day for Representations

w/c 5<sup>th</sup> November 2007 – Final Modification Report produced

15<sup>th</sup> November 2007 – Modification Panel vote

January 2008 – Ofgem decision

01 February 2008 – Proposed Modification Implementation Date

**15 Proposed implementation timetable (including timetable for any necessary information systems changes)**

**16 Implications of implementing this Modification Proposal upon existing Code Standards of Service**

No implications of implementing this Modification Proposal upon existing Code Standards of Service have been identified.

**17. Workstream recommendation regarding implementation of this Modification Proposal**

[The Distribution Workstream considers that the Proposal is sufficiently developed and should now proceed to the Consultation Phase. The Workstream also recommends that the Panel requests the preparation of legal text for this Modification Proposal.]