












0531:

Provision of an Industry User Test System

01	Modification
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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.

	The Proposer recommends that this modification should be: <ul style="list-style-type: none"> assessed by a Workgroup
	High Impact: Shippers, Transporters' Agent
	Medium Impact:
	Low Impact:

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About this document:		
This modification was originally presented by the proposer to the panel on 19 February 2015.		 02920249135
The panel agreed with the proposer's recommendation that this modification should be:		Transporter: Chris Warner National Grid Distribution
<ul style="list-style-type: none"> referred to a workgroup for assessment. 		 chris.warner@nationalgrid.com
The Proposer recommends the following timetable:		Systems Provider: Transporters' Agent
Initial consideration by Workgroup	10 March 2015	
Amended Modification considered by Workgroup	12 July 2016	
Workgroup Report presented to Panel	21 July 2016	
Draft Modification Report issued for consultation	21 July 2016	 commercial.enquiries@Transporters' Agent.com
Consultation Close-out for representations	12 August 2016	
Final Modification Report presented to Panel	15 August 2016	
UNC Modification Panel decision	18 August 2016	

1 Summary

Is this a Self-Governance Modification?

No. This is not a self-governance modification because it is expected to have a material effect on commercial activities connected with the shipping of gas.

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 "UK Link Testing System and Procedures" that will be reviewed annually by the UK Link Committee (or equivalent authority) and approved by the UNCC

Relevant Objectives

The proposer considers 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. We, therefore, believe 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

We would expect 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 has the potential to impact 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

It is proposed that:

1. An obligation will be created on transporters to create a test environment.
2. The Transporters are required to publish an “UK Link Testing System and Procedures” document, which sets out requirements to access the test environment.
3. The initial content of the “UK Link Testing System and Procedures” document be that which is provided as an Appendix to this modification.
4. That the “UK Link Testing System and Procedures” document be reviewed annually by UK Link Committee (or equivalent authority).
5. Proposed amendments to the “UK Link Testing System and Procedures” document be submitted to the UNCC for approval.
6. Create two new User Pays services as defined in the subsidiary “UK Link Testing System and Procedures” document:
 - 6.1. Industry Testing;
 - 6.2. User Testing.

The subsidiary “UK Link Testing System and Procedures” document will include the following:

- be based on an agreed (at UK Link Committee or equivalent authority) relevant 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);
- provide a representative sample of supply meter points datasets on the production system.
- be compliant with the UNC subsidiary document “UK Link Testing System and Procedures”.

Gemini and Active Notification System (ANS) are excluded from the scope of this modification.

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.

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.	<p>It is anticipated that Shipper users will be the only users of the service and so will fund 100% of the development costs.</p> <p>Industry testing will be specific to each modification or change required and the split of the recovery of the costs will be stipulated by the UK Link Committee for each incidence of industry testing. User testing will be specific to each user.</p>
Proposed charge(s) for application of User Pays charges to Shippers.	<p>The development costs will be invoiced in proportion to each Shipper on the number of Supply Meter Points in each Shipper's ownership as a proportion of the total number of Supply Meter Points, measured at the point of implementation of UNC Modification 0531.</p> <p>The development costs will be invoiced to Shippers in full when the service becomes available.</p> <p>Ongoing costs will be in line with the decision made by the UK Link Committee for each Industry change. For User testing a proportion of the total annual charge based on the number of weeks required. Any annual shortfall in cost recovery of the testing system will be smeared across Shippers according to Supply Meter Point market share.</p>
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Transporters' Agent.	See High Level Cost Estimate published alongside this document.

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;	Positive

(ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	
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

We believe the 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. We, therefore, believe 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.

5 Implementation

No implementation timescales are proposed. However, implementation is requested at the earliest practical opportunity. For the avoidance of doubt, the first availability of the new testing environment would be as advised by transporters.

6 Impacts

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

This modification has the potential to impact the industry programme for replacement of UK-Link systems (Nexus). It is not envisaged that implementation will be before Nexus go-live and, therefore, any impact should be minimal.

7 Legal Text

To be developed as part of the Workgroup assessment.

8 Recommendation

The Proposer invites the Workgroup to:

- Agree that this modification should be issued to consultation.