

UNC Modification

At what stage is this document in the process?





# UNC 0602:

## Implementation of Non Effective Days and Variant Non-Business Days for Project Nexus Implementation (Project Nexus transitional modification)

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

**Purpose of Modification:**

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

	<p>The Proposer recommends that this modification <del>is:</del></p> <ul style="list-style-type: none"> <li>• <del>assessed by the Workgroup</del></li> </ul>
	<p>High Impact: Large Transporters and Shipper Users</p>
	<p>Medium Impact: None</p>
	<p>Low Impact: None</p>

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## Timetable

### The Proposer recommends the following timetable:

Initial consideration by Workgroup	24 November 2016
Amended Modification presented to Workgroup	<del>05 January 2017</del>
Workgroup Report presented to Panel	19 January 2017
Draft Modification Report issued for consultation	19 January 2017
Consultation Close-out for representations	09 February 2017
Final Modification Report available for Panel	10 February 2017
Modification Panel decision	16 February 2017

 Any questions?

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# 1 Summary

## What

To enable a smooth and efficient transition to the new supporting systems it is necessary to set out terms within the Uniform Network Code (UNC) Transition Document (TD) which identify the dates when the UK-Link System will not be available for transactions and processes as identified within the UNC.

## Why

As part of the UK-Link Replacement Programme that incorporates the Project Nexus requirements, UNC Modifications 0432, 0434 and 0440 will be implemented on the Project Nexus Implementation Date (PNID). As a consequence some elements of the UK-Link system will not be available for a period of time to enable critical activities such as migration and recovery to be supported. Clarity in respect of the above would facilitate a smooth, transparent and efficient implementation of the UK-Link System and transition for interfacing systems for other industry participants'.

## How

This modification identifies a series of non-effective days when the relevant systems would be taken off-line and variant non-Business Days when UK-Link Systems shall be subject to additional support measures impacting transaction processing.

# 2 Governance

## Justification for Self-Governance

The Modification Panel determined that this modification should not follow Self-Governance procedures as in certain scenarios, changes of Supplier and corresponding Shipper will not be completed within the timescales set out in Supplier's Standard Licence Condition 14A (see 'Consumer Impacts' in section 6 below for more information). This may have an impact on gas consumers.

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## Requested Next Steps

This modification should:

- be assessed by a Workgroup

Note: The UK-Link Programme (Project Nexus) Transition Progress Group (TPG) will consider the detailed transitional systems planning activity that will be detailed in the Low Level Transitional Design (This group does not meet under UNC governance). It is proposed that the Distribution Workgroup assesses the UNC modification in parallel with this activity. It is further recommended that the assessment occurs in parallel with proposed changes to iGT UNC (iGT UNC Modification 092 refers).

# 3 Why Change?

Modification 0532 (Implementation of Non Effective Days (Project Nexus transitional modification)) was previously raised to provide for a number of UNC non-effective days prior to PNID being 1<sup>st</sup> October 2016. Due to the PNID changing to 1<sup>st</sup> June 2017, 0532 became defunct and was therefore rejected by Ofgem. It is necessary to provide for a series of UNC non-effective days and variant non-Business Days to facilitate 'cutover' to the new systems being introduced by the Transporters Agency, Xoserve, under the UK-Link Replacement Programme.

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For the purposes of clarity it is important to distinguish a non-effective day and a variant non-Business Day from a non-Business Day. A non-Business Day is reflected within the exceptions described within Transportation Principal Document (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 are typically suspended on a non-effective day. In contrast, Code Communication and UK-Link system activity will be taking place during the variant non-Business Days but it is proposed that these shall not be counted as Business Days for the activity concerned with TPD Sections G and M.

Extension of the prevailing timescales relating to change of Supplier process may impact the consumer experience. The certainty that is afforded by the establishment of non-effective days and variant non-Business Days mitigates the likelihood of confusion or misunderstanding arising with respect to the Supplier switching process.

The absence of the clarity that this modification would provide could adversely affect timely implementation of the UK-Link Replacement Programme at PNID.

## 4 Code Specific Matters

### Reference Documents

Detailed planning for UK-Link systems transition will take place in the TPG. Papers are available here. (Note: This group does not meet under UNC governance and the link below is provided for information only)

<http://www.xoserve.com/index.php/our-change-programme/uk-link-programme/uk-link-programme-workstream-updates/uk-link-programme-transition/>

### Knowledge/Skills

The proposed definition of non-effective days and variant non-Business Days would impact TPD Sections G and M of the UNC. As such it is recommended that the UNC Distribution Workgroup – whose familiarity with such sections would make it best placed to develop this modification given members' knowledge of the 'retail' related elements of the UNC.

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## 5 Solution

Modification of the UNC is required to identify and incorporate a number of non-effective days and variant non-Business Days within the UNC Transition Document (TD).

It is proposed that nine (9) non-effective days and three (3) variant non-Business Days are introduced.

### Definition of non-effective days

Non-effective days are defined by the modifications, which introduced them.

The non-effective day period is proposed to be 23<sup>rd</sup> May 2017 to 31<sup>st</sup> May 2017 inclusive. This period of nine non-effective days prior to PNID would have the following features:

- Such days would not constitute UNC Business Days or Supply Point System Business Days.
- No Supply Point Confirmations can be submitted.
- No revision of the Supply Point Register can be made, including those defined in Annex G-1 'Revisions to Supply Point Register not Requiring Reconfirmation'.
- 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, Amend Supply Point Offtake Rate, Revisions to Annual Quantity or NDM Meter Reading and Meter Information Notifications and Meter Information Update Notifications.
- No communication (under the Code or any other contract between the Transporters and Users) pursuant to which Transporters 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 Points and including the Notification and Allocation processes associated with such sites,
- Daily Metered 'mandatory site' (DMM) liability relief is sought.
- 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 required for the relevant period with respect to Query Resolution for Invoicing and Operational Queries.
- Liability relief related to non-availability of UK-Link Systems (TPD Section U 7.6.7(c)) – specifically associated with non-availability of the Batch Transfer and systems and processes defined as unavailable or subject to an outage notification would be sought through UK-Link Committee as defined in TPD Section U.

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## Definition of variant non-Business Days

The period of variant non-Business Days would include the PNID of 1<sup>st</sup> June 2017 and the two subsequent days that would have otherwise been Supply Point System Business Days being 2<sup>nd</sup> June and 5<sup>th</sup> June 2017.

These variant non-Business Days would have the following features<sup>1</sup>:

- Such days would not constitute UNC Business Days or Supply Point System Business Days.
- Supply Point Confirmations can be submitted.
- The variant non-Business Days are expected to apply to UNC TPD Sections G and M. Communications may be made by Users to Transporters: 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, Amend Supply Point Offtake Rate, Revisions to Annual Quantity or NDM Meter Reading and Meter Information Notifications and Meter Information Update Notifications.
- Communications may be made by Transporters to Users, including response files to the above.
- Liability relief related to the processes described above being subject to the variant non-Business Day 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.
- Liability relief related to non-availability of UK-Link Systems (TPD Section U 7.6.7 (c)) – specifically associated with non-availability of the Batch Transfer and systems and processes defined as unavailable or subject to an outage notification would be sought through UK-Link Committee as defined in TPD Section U.

## Extension to Minimum Confirmation timescales to enable one day period for Supply Point Objections

During preliminary discussions of this Modification Proposal Users have indicated that they would require a minimum of one day with which to raise a Supply Point Objection, which could only be accommodated by extending the minimum Confirmation timescale. Without extension of the minimum Confirmation timescale the incumbent User would not have an opportunity to raise a Supply Point Objection.

The proposal for three variant non-Business Days, in addition to the nine non-effective day period, means that for certain Supply Point Registration Dates the incumbent User would not have any opportunity to raise a Supply Point Objection where the proposing User provides the minimum Confirmation timescale as set out in UNC G 2.5.8(b).

For the PNID of 1<sup>st</sup> June 2017, this Supply Point Registration Date range is between 1<sup>st</sup> and 8<sup>th</sup> June 2017.

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The below table sets out the confirmation submission deadline were it not for the Project Nexus Implementation Date and the amended deadline taking account of Project Nexus Implementation whilst preserving a one day period with which to raise a Supply Point Objection.

It is highlighted that for the Supply Point Registration Date of 8<sup>th</sup> June 2017 where a proposing Shipper submits a Confirmation request with the minimum Confirmation timeline (by Sunday 21<sup>st</sup> May 2017) the Objection notification will be issued to the incumbent Shipper on Monday 22<sup>nd</sup> May 2017 no earlier than 1200hrs. The Objection must be received by the CDSP by 2300hrs on 22<sup>nd</sup> May 2017.

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Supply Point Registration Date	Confirmation submission deadline (normal operation)	Confirmation submission deadline (extended Confirmation timescale)
1st June 2017	18th May 2017	17th May 2017
2nd June 2017	19th May 2017	17th May 2017
3rd June 2017	20th May 2017	17th May 2017
4th June 2017	21st May 2017	17th May 2017
5th June 2017	22nd May 2017	17th May 2017
6th June 2017	23rd May 2017	17th May 2017
7th June 2017	24th May 2017	18th May 2017
8th June 2017	25th May 2017	21st May 2017

Sample timelines are provided in appendix 1 to illustrate the timeline around a Change of Registered User event and PNID:

## 6 Impacts & Other Considerations

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

This Modification Proposal impacts the industry programme for replacement of the UK-Link system. 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 consequence for Shipper Users, Suppliers and ultimately consumers.

It is essential to the success of the UK-Link Replacement Programme (Project Nexus).

#### Consumer Impacts

This modification proposes a total of nine non-effective days and three variant non-Business Days. If the minimum Confirmation timescales are used the incumbent User would not have an opportunity to raise a

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Supply Point objection; Users have requested a minimum of one day with which to raise any objections. In order to accommodate this objection period the minimum Confirmation timescale would need to be extended.

With respect to the 1<sup>st</sup> June 2017 PNID, the period where Users may not submit Code Communications shall mean that Users need to submit Confirmations by 22<sup>nd</sup> May 2017 where the Supply Point Registration Date is 9<sup>th</sup> to 14<sup>th</sup> June 2017.

This potentially impacts consumers as switches for the Supply Point Registration Date range of 12<sup>th</sup> to 14<sup>th</sup> June 2017 cannot be completed within the timescales set out in Supplier's Standard Licence Condition 14A: 'Customer Transfer' which requires gas suppliers to ensure that customer transfers can take place within three weeks of the contractual cooling-off period ending. Confirmations must be submitted by Monday 22<sup>nd</sup> May 2017 for the above Supply Point Registration Date range.

### Cross Code Impacts

An equivalent modification to the iGT UNC has been raised (iGT UNC092). While not part of formal UNC governance it is recommended that this modification be considered in parallel with this Workgroup.

It is also recommended that this Modification be considered by the Supply Point Administration Agreement (SPAA) Expert Group. This is to check for any impacts to relevant SPAA schedules – for example Metering Schedules (22).

No impacts have been identified to any other Codes.

### EU Code Impacts

None identified.

### Central Systems Impacts

This modification proposal is essential for the implementation of the UK-Link Replacement Programme (Project Nexus).

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

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## 7 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.	Impacted
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 Modification is required to enable implementation of the UK-Link Replacement Programme (Project Nexus). 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 an effect of the Modification could be to extend the timescales for transfer of Shipper User within the transition period there could be a minor effect on competition between Shippers and between Suppliers. This has an impact on relevant objective d) Securing of effective competition between Shipper Users.

## 8 Implementation

This Modification could be implemented upon direction and it would be desirable if this Modification were implemented as soon as possible and by no later than 1st March 2017 to add certainty to the transition process for the UK-Link replacement programme.

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## 9 Legal Text

[Legal Text Guidance Document.](#)

### Text Commentary

Text commentary will be provided.

### Text

Legal text will be provided

## 10 Recommendations

### Proposer's Recommendation to Workgroup

Workgroup is asked to:

- agree this modification should be issued to consultation

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## 11 Appendix 1

### Business Rule Statement:

Business Rules associated with Confirmation timescales		Confirmation Status as described in subsequent Sheet
1	A Confirmation may be submitted by a proposing Shipper User with a requested Supply Point Registration Date (D) (also referred to as Confirmation Effective Date AND Supply Start Date) which must be between: a) A maximum Confirmation lead time of 30 Business Days from the Confirmation submission date AND b) A minimum Confirmation lead time of 15 calendar Days from the Confirmation submission date	Upon acceptance of the Confirmation by the proposing User, the Confirmation Status shall be RQ.
2	Upon acceptance of this Confirmation, the existing Shipper (incumbent User) will be notified of the Confirmation acceptance, and given an opportunity to submit a Supply Point Objection. This Supply Point Objection must be submitted in the objection window. a) This objection window will end Seven business days from the notice to the existing Shipper OR b) Where there are insufficient Business Days in the period between the Confirmation submission and the Supply Point Registration Date to provide the seven Business Days objection window. No later than the end of D-3 Business Days where D is the Supply Point Registration Date.	Confirmation Status changes to CO Status at D-2.
		For Information: (not shown on Sheet) Confirmation Status changes to LI at Supply Point Registration Date (D).

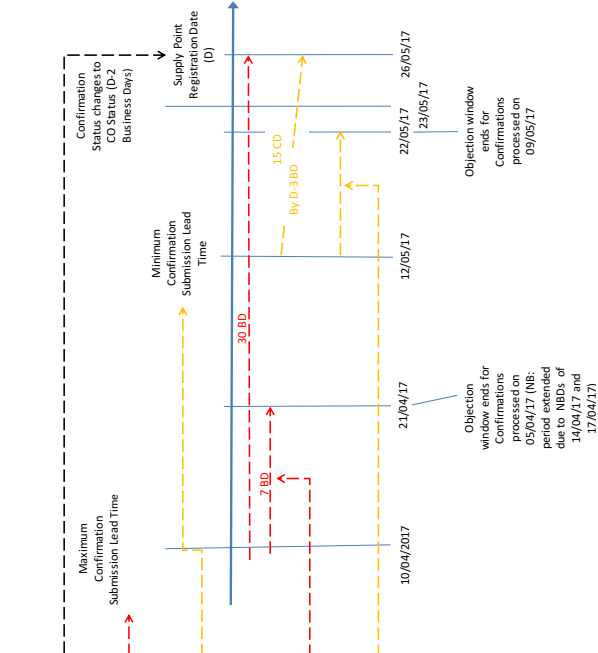
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**Example:**

	Example Date	Commentary
1	Requested Supply Point Registration Date = 26th May 2017 Must be submitted no later than 10th April 2017	This takes account of three bank holidays 14/04/17, 17/04/17 and 01/05/17. Also NBDs of 8 & 26/05/17.
a)	A maximum Confirmation lead time of 30 Business Days from the Confirmation submission date	
<b>AND</b>		
b)	A minimum Confirmation lead time of 15 calendar Days from the Confirmation submission date	
2	Upon acceptance of this Confirmation, the existing Shipper (Incumbent User) will be notified of the Confirmation acceptance, and given an opportunity to submit a Supply Point Objection. This Supply Point Objection must be submitted in the objection window.	Assumed immediate processing and start of objection period
a)	This objection window will end seven business days from the notice to the existing Shipper	Extended due to Easter BHS
<b>OR</b>		
b)	For an accepted Confirmation, where there are insufficient Business Days in the period between the Confirmation submission and the Supply Point Registration Date to provide the seven Business Days objection window. No later than the end of D-3 Business Days where D is the Supply Point Registration Date.	Rescheduled due to processed NBDs of 24 and 25/05/17



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In order to accommodate this one day objection period the minimum Confirmation timescale would need to be extended as follows.