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# Transition Business Rules

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for

## Project Nexus

submitted to

### Distribution Workgroup

(Project Nexus Modifications developed at Distribution Workgroup from September 2016) Workgroup

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Author (for this version):	Xoserve
Version:	2.3 <sup>0</sup>
Date:	15 <sup>th</sup> February 2017 <del>10/08/2015</del>

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## 2. Document Purpose

The purpose of this document is to accurately capture the business rules for transition from the current UNC to the new industry requirements developed through the Nexus Workgroup (PN UNC). This document describes the processes that will have an end date as a result of the relevant modifications. For information, an additional document is to be prepared to explain how new processes (created by the relevant modifications) will operate immediately after go live e.g. how a smaller supply point reconciliation will be processed where read 1 pre dates Go Live.

Adequate information will be provided to enable the industry to approve the documented requirements.

The business rules are based on presentations and discussions at the Nexus Workgroup. Once the rules are sufficiently developed they will be documented here for each business area. Section 6 lists the areas discussed and the status of the rules, agreed or to be agreed.

This final approved version of the document will form the base for any Modification or business and functional changes required to implement the transitional business rules.

### 2.1 Intended Audience

- Gas Shippers/Suppliers
- Gas Transporters (Larger and Small)
- Xserve
- Customer Representative(s)
- Ofgem

### 3. Executive Summary

#### 3.1 Introduction to the change

This document contains the matters for consideration for the transition of existing UNC rules to the proposed rules generated by Modifications:

- 0432 Project Nexus Gas Demand Estimation, Allocation, Settlement and Reconciliation Reform
- ~~0434 Project Nexus Retrospective Updates~~
- 0440 Project Nexus iGT Single Service Provision
- iGT UNC 039 Use of a single Gas Transporter agency for the common services and systems and processes required by the iGT UNC
- 467 Project Nexus iGT Single Service Provision Data Preparation,
- 473 Project Nexus Allocation of Unidentified Gas

If required, further Modifications will be added as they are raised.

#### 3.2 Change Drivers and Business Goals

##### Drivers

To deliver the new industry requirements with the least disruption to the industry

##### Business Goals

To develop an industry agreed robust regime for the transition from current to new arrangements as defined within Modifications listed under Section 3.1.

#### 3.3 Related Documents

As well as the Modifications referenced under section 3.1 the following documents are the business requirement documents developed by the Nexus Workgroup (PN UNC)

Document Title	Location
Annual Quantity BRD	Joint Office Website
iGT Agency Services BRD	Joint Office Website
Invoicing BRD	Joint Office Website
Reconciliation BRD	Joint Office Website
Retrospective Updates BRD	Joint Office Website
Meter Read Submission & Processing and Settlement Arrangements for all Gas Meter Points BRD	Joint Office Website
Supply Point Register BRD	Joint Office Website
Transition Topic Register	Joint Office Website

### 4. Scope

#### 4.1 In Scope

- Transitional arrangements required to deliver the changes required under the Modifications listed in Section 3.1

#### 4.2 Out of Scope



Transition Business Rules

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- Changes required as a result of Smart metering & DCC implementation
- Any Modification not listed under Section 3.1

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## 5. Assumptions and Concerns

### 5.1 Assumptions

- There will be a single release for all functionality related to the Modifications 0432, ~~0434~~ and 0440
- The processes required by the relevant Modifications will be effective on the implementation date of the Modifications.
- All files received before the suspension of UKLink will be processed and the notifications on whether the record has been accepted or rejected will be issued.
- Files & communications submitted to the legacy system before Go Live must be submitted by the existing method & format. After Go Live all files & communications must be submitted by the new method & format.
- For processes commencing in the legacy system but will complete after Go Live, files and communications will be issued to the Shipper in the new file formats, **where relevant**.
- The impacts of Non-Effective days (Modification ~~05320602~~) have not been included in the business rules within this document.
- Dates specified in this document assume a 1<sup>st</sup> ~~October 2016~~ **June 2017** delivery.
- The DMSP and the GT will use reasonable endeavours to ensure any activities or obligations are performed before shut down of the system, for example, Referrals issued to the GT and DMSP Check Read obligations.
- The Shipper and service provider will use reasonable endeavours to ensure any activities or obligations are performed before shut down of the system.

### 5.2 Dependencies

- Timely industry agreement will be required to progress transition topics in line with the broader programme
- ~~The outcome of High Level Design phase of the UKLink Replacement Programme~~
- Approval of all Nexus Modifications
- Transition rules are agreed **in line with the published schedule**
- Ability to process and respond to all files received before UKLink suspension.

### 5.3 Risks & Issues

- Not all Shippers/Suppliers attend the workgroups or are represented therefore solutions may not be representative of the whole industry and consequently there may be opposition to any potential Modifications raised.
- There is a risk that transition rules are not agreed and/or are changed late within the programme, leading to a delay in modifications being agreed and impacting implementation timelines.

### 5.4 Constraints

- Broader change programme as there is a significant level of industry change with similar implementation dates. The industry's ability to achieve all of these changes needs to be taken into consideration when planning transition activities.

### 5.5 Design Considerations

## 6. Transition Topic Register

### 6.1 Supply Point Category

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.1.	Supply Point Classification	Classification of the 'Class' of a Supply Point	G1.5	19/03/2014	15/04/2014

### 6.2 Supply Point Administration Activities

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.2	Supply Point Administration (not including CSEPs or 'Unique Sites')	Supply Point Enquiries	G1.17	19/03/2014	15/04/2014
		Nominations	G2.3		
		Supply Point Offers	G2.4		
		Supply Point Referrals	G2.3.8		
		Confirmations	G2.5, G2.6 &G2.7		
		Objections	G2.8		
		Opening Readings	M5.13		

### 6.3 Supply Meter Point Amendments

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.3	Supply Point Amendments	Capacity Revision		19/03/2014	15/04/2014
		SHQ Revision			
		Priority Consumer			
		Market Sector Code			
		Emergency & Customer Contacts			
		Supplier ID			
		GAO, MAM & MRA Updates			
		Address Updates			

## 6.4 Reconciliation

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.4	Reconciliation	RbD to Meter Point Reconciliation	Section E	02/04/2014	12/05/14 (RbD to meter point reconciliation principles agreed on 04/09/12)
		Meter Point Reconciliation for Smaller Supply Points	Section		
		Filter failures (USRV's)	Section E		
		Sharing & Incentive Invoice	Section E		

## 6.5 Meter Information

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.5	Meter Information	Asset Updates	Section M	15/04/2014	15/04/2014
		Asset Amendments	Section M		

## 6.6 Retrospective Updates

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
See note below	Retrospective Updates	Asset Installation & Removal & Asset Amendments Supply Point Data		15/04/2014	15/04/2014
		Meter Reads		09/09/2014	07/10/2014

Note: Rules for Retrospective Updates are being documented in a separate document as the ~~business rules are not transitional requirements~~ functionality for Retro Updates will be delivered at a later stage.

## 6.7 AQ Review

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.6	AQ Review	AQ Review	G1.6	12/05/2014	18/06/2014
		AQ Amendments	G1.6		
		AQ Appeals	G1.6		
		End of Year AQ Reconciliation (Mod 640)	G1.6		

Note: Rules for AQ Review are being documented in a separate document as the business rules are not transitional requirements.

### 6.8 Read Submission & Validation

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
See Below 7.11	Read Submission & Validation	Read migration		12/05/2014	18/06/2014
		Read validation			

Note: Rules for Read Submission & Validation are being documented in a separate document as the business rules are not transitional requirements.

### 6.9 AQ & SOQ for Transportation Charges

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.7	Formula Year AQ (Fixed AQ and SOQ)	Transportation Charges from Go Live	G1.6	09/09/2014	09/09/2014

### 6.10 Gas Nominations and Allocations

Document	Topic Area	Processes Covered	UNC Section	Date Presented at	Date Agreed at
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Reference			Affected	Nexus Workgroup	Nexus Workgroup
7.8	Gas Nominations and Allocation processes	Changes in processes for Gas Nominations & Allocations		09/09/2014	09/09/2014

### 6.11 Unique Sites

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.9	Unique Sites	SPA activities and Invoicing	Section G	04/11/2014	04/11/2014

### 6.12 Adjustments

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.10	Consumption Adjustments	DM & NDM consumption adjustments	Section G & M	04/11/2014	04/11/2014

### 6.13 Meter Readings

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.11	Meter Readings	Submission & processing of meter reads after Go Live	Section M	July / August 2015	August 2015
		Estimated reads			
		Check Reads			

### 6.14 Billing Periods

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.12	Billing periods	Invoices issued for <del>May September &amp; June October</del> 2017 billing periods	Section S	-August & December 2014	August & December 2014

### 6.15 MPRN Lifecycle

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.13	MPRN creation	Request to create an MPRN	Section G	11/08/2014	11/08/2014
	MPRN Registration	Registration of an MPRN			
	MPRN Status Update	Status Update Dead/Live			
	Unregistered Sites	Unregistered Sites			

### 6.16 Ratchets

Document Reference	Topic Area	Processes Covered	UNC Section Affected	Date Presented at Nexus Workgroup	Date Agreed at Nexus Workgroup
7.14	Ratchets	Ratchet following a read or consumption adjustment during transition period	Section B	13/02/2017	13/02/2017

## 7. Transitional Business Requirements

### 7.1 Supply Point Category

- The new arrangements require every Supply Meter Point to be categorised as either Class 1, 2, 3 or 4. As it will not be possible for Supply Points to be Confirmed by the Shipper into their elected Class until after Go Live all existing Supply Points will be migrated to a default Class
- All existing Supply Points will be migrated to the new system and processed from Go Live as;
  - Existing DM Mandatory Supply Points (as per legal text for Mod 0432 G1.5.3) to Class 1
  - Existing DM Voluntary Supply Points to Class 1\*
  - Existing Daily Metered Elective (DME) Supply Points to Class 2
  - All other Supply Points that do not meet the above criteria to Class 4\*

~~\*daily metered voluntary supply points are still under review~~

- The Default Class of the Supply Point can only be changed on or after -Go Live.
- For DN Interruption Contracts, the Shipper will have the obligation to manage the Confirmation to a DM Supply Point ~~where the DNI Contract commences on the 1<sup>st</sup> October~~
- ~~All Supply Meter Points will be migrated with the following Supply Point Category classification and used from go live in Gemini for gas nomination & allocation processes;~~
  - All Class 1 Supply Points with an AQ above 1.465 billion kWhs will be VLDMC Supply Points
  - Class 1 Supply Point, which is not a VLDMC Supply Point, will be DMC
  - Class 2 Supply Point will be DMA.
  - Class 3 or 4 Supply Meter Point will be NDM.

### 7.2 Supply Point Administration Activities

#### Data Enquiry services (DEs)

Data Enquiry will continue to be available during Cut-Over however the data displayed by DE will be older than D+1 when the existing UKLink is shut down and until the next re-fresh after Go Live

Services via telephone enquiry will remain throughout Cut-Over

#### Supply Point Enquiries

- The new arrangements will allow a Shipper to request up to 12 months consumption data for a Supply Point via the Supply Point Enquiries process and
- The new arrangements will allow a Shipper to request a Supply Point Enquiry for any Supply Point regardless of AQ, currently a Supply Point Enquiry for a Smaller Supply Point is requested via email.
  - A Supply Point Enquiry submitted before Go Live which has not been responded to will lapse and a response will not be provided after Go Live.

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- A request submitted after Go Live from a Shipper requesting consumption history for the period pre Go Live will be accepted and up to 12 months consumption history (where available) will be provided in the Supply Point Enquiry response
- A Supply Point Enquiry for a Smaller Supply Point submitted after Go Live via UKLink communication will be processed the in the same way as a request for a Larger Supply Point.

#### **Supply Point Nomination**

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- The new arrangements will require a Shipper to Nominate, where a **Nomination is** applicable, the Supply Point to either Class 1, 2, 3 or 4.
  - A Nomination submitted before Go Live where an Offer has not been issued before Go Live will be **invalidated-lapse**
  - A notification will not be issued to the Shipper that the Nomination has lapsed.
  - Nominations to a Class can only be submitted post Go Live, any requests using the new file flows pre Go Live will be rejected.

#### **Supply Point Offers**

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- There are no changes to the arrangements for submitting a Supply Point Offer however Offers submitted to the Shipper pre Go Live will be based on the current DM/NDM arrangements and not based on the 'Class' of the Supply Point.
  - All outstanding 'Live' Offers where a Confirmation has not been submitted before Go Live will be invalidated at Go Live and will not be migrated **over**.
  - A notification will not be issued to the Shipper that the Offer is invalid.
  - A Confirmation received post Go Live confirming an Offer submitted under the old arrangements (DM/NDM) will be rejected.

#### **Supply Point Referral**

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- There are no changes to the arrangements for the Referral to Distribution Networks following a Supply Point Nomination however the outcome of a Referral is an Offer which will not be valid under the new arrangements.
- A Referral is **only** required where the Supply Point is DM and the Nomination is requesting a change to the existing SOQ / SHQ, **request for Optional Tariff**.
  - Any Referrals outstanding as a result of a Supply Point Nomination at Go Live will be cancelled and will not be migrated over.
  - A notification will not be issued to the Shipper that the Referral has been cancelled and the Shipper will not receive an Offer.
- For a Nomination where a Referral has been cancelled the Shipper will need to submit a new Nomination post Go Live.

#### **Supply Point Confirmation**

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- The new arrangements require a Shipper to specify their elected Class for Smaller Supply Points. For Larger Supply Points the Shipper will confirm the Offer which specified the Class in the Nomination.
  - All In-Flight Confirmations, accepted pre Go Live with an effective date post Go Live, will continue to be processed and will be effective and categorised under the default Class (see section 7.1 Supply Point Category).
  - A Confirmation effective date can be on a 'non effective day'

- For an in-flight Confirmation, the transfer of ownership communications, including related communications e.g. meter reading instructions, and ceased responsibility notifications will be submitted to the Shippers prior to the commencement of the NED window
- A Supply Point Confirmation Cancellation received and accepted pre Go Live will be processed.
- To change the default Class of a Supply Point post Go-Live the Registered Shipper will need to submit a Supply Point Amendment or a new Confirmation to change the Class of the Supply Meter Point.

**Supply Point Objections**

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- There are no changes to the arrangements for Supply Point Objections however the timescales for resolving the Objection will be reduced as a result of Non-Effective Days.
- Shippers will need to resolve the Objection within the Objection window else the Confirmation will lapse.
  - All In-Flight Objections (accepted pre Go Live) will continue to be processed

**Supply Point Opening Readings**

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- The new arrangements for obtaining and submitting the Opening Read is different depending on the Class the Supply Point is transferring from and to.
  - For in-flight Confirmations, the existing arrangements will apply There is no change to the rules for obtaining and the submission timescales for the Opening read.
  - Where an estimated read is required post go live, this will be calculated, The estimated read will be populated and submitted to the Shipper as per the new existing rules.
- The new arrangements for obtaining & submitting the Opening Meter Reading will only apply following a transfer of ownership post Go Live.
- Any Shipper Agreed Reads received pre Go Live will be processed.

**Supply Point Withdrawals**

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- There are no changes to the arrangements for Supply Point Withdrawal.
  - All In-Flight Withdrawals (accepted pre Go Live) will continue to be processed.

**7.3 Supply Point Amendments**

**Supply Point Capacity Revision (SOQ)**

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- No transition matters identified. Capacity Revision requests which have been accepted and submitted prior to UK Link Suspension will be processed and will become effective on the requested date (including if the effective date is post go live)

**Supply Point SHQ Revision**

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- No transition matters identified Supply Point SHQ Revision requests which have been accepted and submitted prior to UK Link Suspension will be processed and will become effective on the requested date (including if the effective date is post go live).

**Priority Consumer**

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- No transition matters identified. Priority Consumer requests submitted prior to UK Link Suspension will be processed.

- **Market Sector Code**  
No transition matters identified. Market Sector Code update requests submitted prior to UK Link Suspension will be processed. Formatted: Font: Bold
- **Meter Read Frequency**  
No transition matters identified. Meter Read Frequency update requests submitted prior to UK Link Suspension will be processed **and become effective on the requested date (including if the effective date is post go live).** Formatted: Font: Bold
- **Emergency Contact Information**  
No transition matters identified. Emergency Contact information update requests submitted prior to UK Link Suspension will be processed. Formatted: Font: Bold
- **Supplier ID**  
No transition matters identified. Supplier ID update requests submitted prior to UK Link Suspension will be processed. Formatted: Font: Bold
- **Gas Act Operator (GAO), Meter Asset manager (MAM & Meter Reading Agency (MRA))**  
No transition matters identified. GAO, MAM and MRA update requests submitted prior to UK Link Suspension will be processed. Formatted: Font: Bold
- **Address Updates**  
Any address updates submitted prior to UKLink Suspension will be processed, subject to validation. Formatted: Font: Bold  
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## 7.4 Reconciliation

- **Reconciliation by Difference (RbD)**  
Individual meter point reconciliation for Smaller Supply Points will replace Reconciliation by Difference (RbD), for the period prior to Go Live, RbD will still apply. Formatted: Font: Bold
- For Smaller Supply Points;
  - the first valid read received after Go Live will trigger a meter point reconciliation back to the previous valid billable meter reading.
  - The reconciliation will be divided into two variances and only the reconciliation charges post Go Live will be issued on an invoice.
- For Larger Supply Point (LSP)
  - reconciliations will be calculated as normal i.e. from the latest valid read to the previous valid meter reading, and the meter point reconciliation charges pre and post Go Live will be invoiced.
- Where a LSP reconciliation spans Go Live, the treatment of the equal and opposite energy adjustment differs for the period pre and post Go Live.
  - Energy pre Go Live will be applied through RbD.
  - The RBD mechanism will continue for 12 months after Go Live on a rolling basis, 12 months after Go Live RbD will cease and all reconciliation periods will be included in the Unidentified Gas Reconciliation.
  - For this 12 month period, all the energy for a period pre Go live will be allocated to the 12 month RbD pot based on SSP market shares based upon existing rules.
  - Energy allocated to Unidentified Gas Reconciliation will be allocated based on throughput values (in accordance with Modification 0432).
  - For this 12 month period, energy for a period that spans Go Live will be apportioned based on the reconciliation variance into the RbD pot for pre Go Live and for post Go Live the Unidentified Gas Reconciliation methodology.

- Reconciliation periods pre Go Live for LSP's will be fed into the RbD pot for 12 months after which time all reconciliations will go into the Unidentified Gas Reconciliation methodology

The following **attachment diagrams** shows how the 12 month rolling RbD pot will operate for Larger Supply Point Meter Point Reconciliation and a Smaller Supply Point Meter Point Reconciliation spanning Go Live and for **thea** period post Go Live.



Reconciliation for  
Transition BRD.ppt

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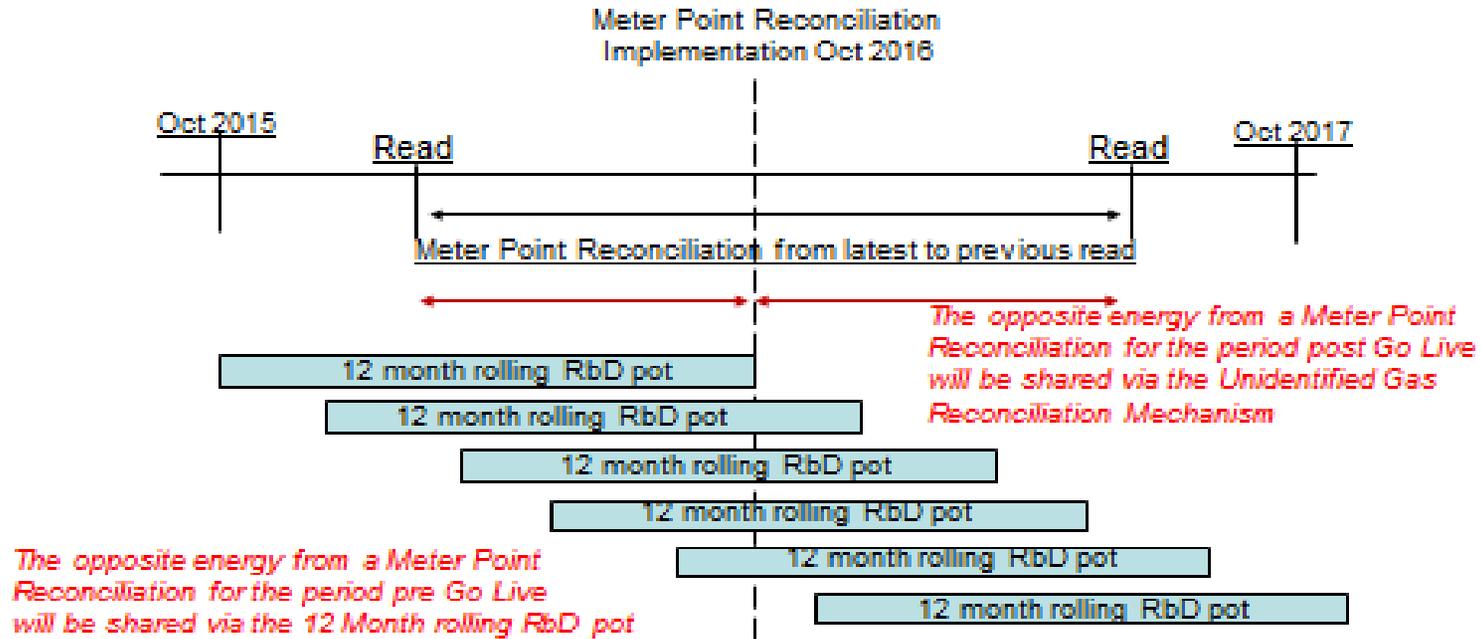
Note: The following slides have been deleted & replaced with the above attachment.

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# Large Supply Point Reconciliation which spans Pre & Post Go Live



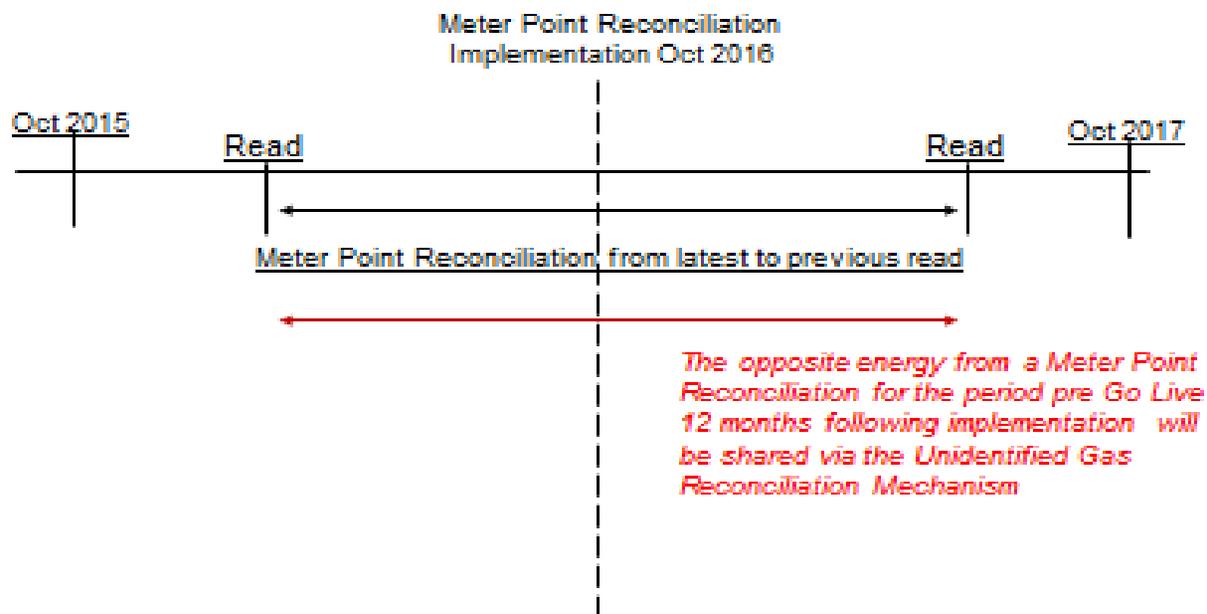
The opposite energy from a Meter Point Reconciliation for the period pre Go Live will be shared via the 12 Month rolling RbD pot

The opposite energy from a Meter Point Reconciliation for the period post Go Live will be shared via the Unidentified Gas Reconciliation Mechanism

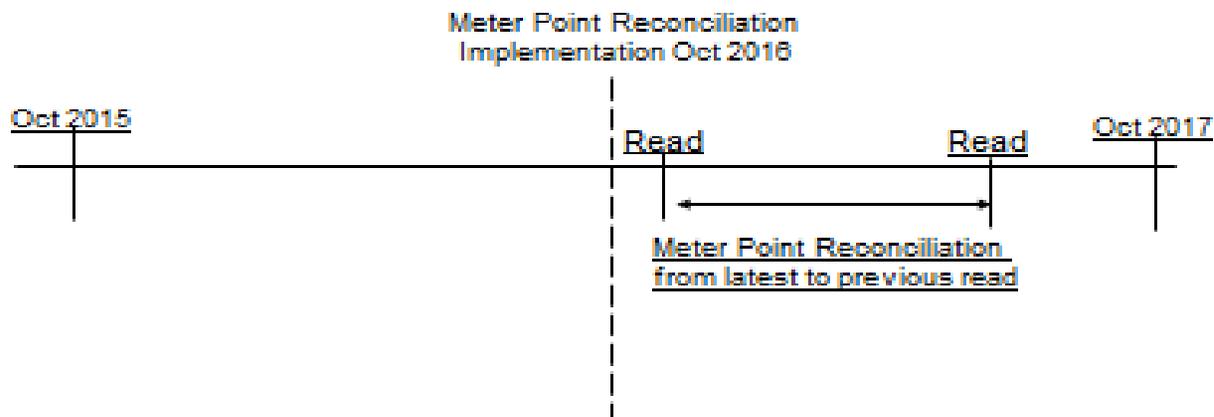
Note: Each block of the rolling pot equals 2 months



## Large Supply Point Reconciliation which spans Pre & Post Go Live 12 Months after Implementation



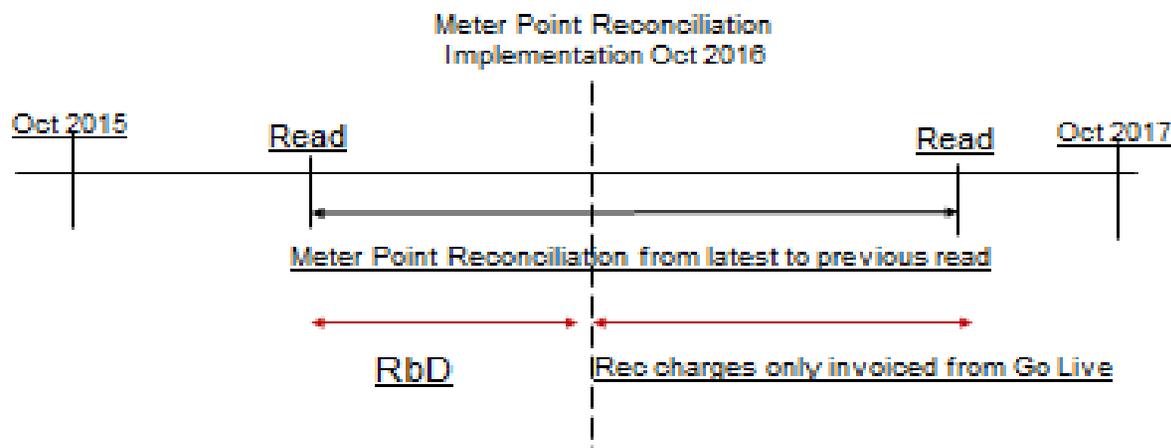
## Large and Small Supply Point Reconciliation which spans only Post Go Live



*The opposite energy from a Meter Point Reconciliation for the period post Go Live will be smeared via the Unidentified Gas Reconciliation Mechanism*



# Small Supply Point Reconciliation



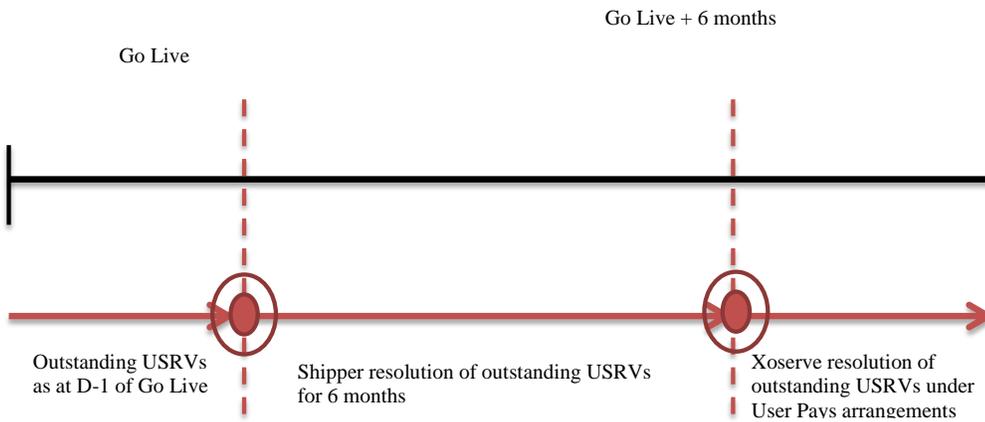
*The opposite energy from a Meter Point Reconciliation for the period post Go Live will be smeared via the Unidentified Gas Reconciliation Mechanism*



**User Suppressed Reconciliation Variance (USRV) resolution**

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- USRVs generated from reconciliations processed pre Go Live will require resolution.
  - All outstanding USRV's as at implementation to be resolved by the Shipper within 6 months.
  - Any outstanding USRV's after 6 months will be resolved by Xoserve under User Pays arrangements.
- As part of the migration activity reads that have resulted in a USRV will be marked as 'suspect' so they are not used in any processes post Go Live, e.g. AQ review.
- Meter reads submitted post implementation for a read date pre implementation will be subject to the new read validations.



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**Sharing and Incentive Invoice**

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- The incentive regime will end at Go Live. The final invoices relating to this regime will be issued sometime after (exact timing to be determined) Go Live.

**7.5 Meter Information**

**Asset updates and asset amendments**

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- No transition matters identified. Asset updates and amendment requests (via RGMA flows) submitted prior to UK Link Suspension will be processed **prior to commencement of NED window**
- Updates received from the Meter Worker submitted prior to UKLink Suspension will be processed, subject to validation, and recorded in the Connection & Disconnection database as per the current process.

**7.6 AQ Review**

**AQ Review**

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- The new arrangements will calculate an AQ monthly if a valid read has been submitted within the AQ period and other AQ process rules are satisfied.

- The annual AQ review in 2017 activities leading up to 1<sup>st</sup> October will not be performed with the exception of 'Trial Calc' which will provide Shippers with a view of the revised AQ
- The first valid read loaded after Go Live will be considered for calculation of an AQ which, if calculated, will go live from the 1<sup>st</sup> of the following month of go live (i.e. 1<sup>st</sup> June 2017 go live, all revised AQ's will be effective from; 1<sup>st</sup> July 2017 November).
- The AQ calculation will use the reads migrated over from the existing UKLink system
- Offer Addendum process will close mid-September (all Offers will be invalidated as at Go Live)

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**AQ Amendments**

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- The existing AQ Amendments process will cease to exist as meter reads will be validated on submission of the read. The AQ Amendment window opens on 1<sup>st</sup> June and closes on 13<sup>th</sup> August.
  - There will be no AQ Amendments after it closes on 13<sup>th</sup> August 2016.

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**AQ Appeals**

- The existing AQ Appeals process will cease to exist as meter reads will be validated on submission of the read. The AQ Appeals window opens on 14<sup>th</sup> September and closes on 31<sup>st</sup> July for LSP meter points, for SSP meter points the window opens on 1<sup>st</sup> October and closes on 31<sup>st</sup> May.
  - Appeals window will close on 2 months prior to go live (for a 1<sup>st</sup> June 2017 go live the Appeals window will close on 31<sup>st</sup> March 2017) not re-open when it closes in July
  - Any outstanding Appeals will be invalidated 1 month before Go Live (to ensure AQ data is not amended prior to migration). Appeals for a Confirmation effective date on or after this date will be rejected (for a 1<sup>st</sup> June 2017 go live this will be 1<sup>st</sup> May 2017).
  - AQ Appeals on an MPRN creation will not be closed until 4 days before the Appeals are invalidated (in order for the Confirmation to be submitted).

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**AQ Validation**

- For a transitional period, maximum 36 months, validation will be performed on the AQ where any read or consumption used in the AQ process was received prior to the PNID. For clarity, where a calculated AQ uses only reads and consumption post PNID, validation on the AQ will not be performed and the AQ will become effective from the 1<sup>st</sup> of the following month.
  - Where an AQ is calculated using meter reads that have not been validated by the new read tolerance checks (reads migrated), the AQ will be validated. Where the AQ fails the validation the existing AQ will continue to apply.
  - The AQ will be validated by a tolerance (tolerances documented in the 'Nexus Transition AQ Validation Rules' to be agreed at PN-UNC).

**Threshold Crossers (Mod 640 Adjustments)**

- Supply Meter Points that cross the threshold from SSP to LSP will continue to exist under the new arrangements but the End of Year AQ Reconciliation process will not be required due to individual meter point reconciliation.
  - The meter points that have moved from SSP to LSP market will be determined beginning of October 2016 following the annual AQ review
  - The Mod 640 invoice to be issued as normal following AQ Review 2016 end-of-December
  - There will not be an appeal period for the meter points identified as threshold crossers
  - There will not be an End of Year AQ Reconciliation (Mod 640 Adjustments) following the 2016 AQ review (adjustment issued early 2017)

### 7.7 AQ & SOQ for Transportation Charges

For Class 3 and 4 Supply Meter Points there will be two AQs and SOQs;

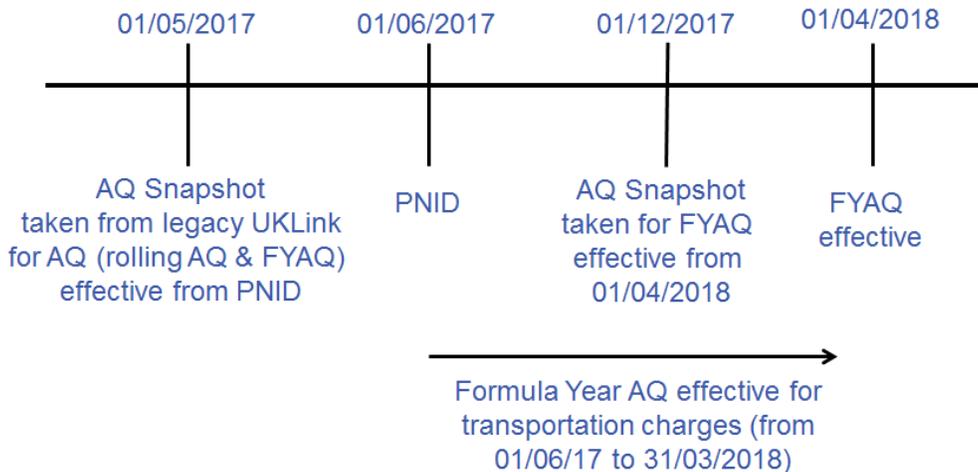
- Rolling AQ for allocation processes
- Fixed AQ and SOQ for transportation charges

The fixed AQ and SOQ will be the value set on 1<sup>st</sup> December each year and will be effective for transportation charges from 1<sup>st</sup> April ~~the following year~~.

From Go Live date the AQ & SOQ used for transportation charges will be the value set ~~at migration on 1<sup>st</sup> October~~ and will be used upto the 31<sup>st</sup> March 2018. A snapshot of the AQ & SOQ will be taken on the 1<sup>st</sup> December 2017 and applied for transportation charges effective from 1<sup>st</sup> April 2018.

Following diagram shows the dates for an implementation date of 1<sup>st</sup> June 2017.

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### 7.8 Gas Nomination and Allocation Processes

#### Gas Nominations

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- The new rules for determining Forecast LDZ Unidentified Gas and NDM Output Nominations will apply on a gas flow day basis and therefore will apply on Go Live date.
- For DM Supply Meter Points (Class 1 and 2) gas nominations will be input by the Shipper for the Go Live date (this is no change for the existing DM Supply Meter Points). Gas Nominations can be submitted upto D-1 of the Gas Flow Day (GFD).

- For the GFD of Go Live date, where a DM Gas Nomination has not been input by the Shipper a D-7 estimation will be generated and applied. The estimate will not be included in the calculation of Scheduling Charges for the Energy Balancing processes and invoice.
- For the GFD of Go Live date, NDM Supply Meter Points (Class 3 and 4) Gas Nominations will be calculated using the new Supply Meter Point Demand estimation formula.
- Forecast LDZ Unidentified Gas will be calculated for the GFD from Go Live date and apportioned to Shippers within an LDZ.
- All Gas Nominations including Unidentified Gas will be viewable on Gemini from D-1. A new Meter ID will be allocated to each Shipper, per LDZ, to view their allocation of Unidentified Gas

**Gas Allocations**

- The new rules for determining LDZ Unidentified Gas and NDM Allocations will apply on a gas flow day basis and therefore will apply on Go Live date
- DM Gas allocations will continue as per current processes.
- For Class 2 Supply Meter Points the allocation will be based on the daily read submitted by the Shipper.
- For the GFD of Go Live date, NDM Supply Meter Points (Class 3 and 4) Allocations will be calculated using the new Supply Meter Point Demand estimation formula.
- LDZ Unidentified Gas will be calculated for the GFD from Go Live date and apportioned to Shippers within an LDZ using the Unidentified Gas Allocation Factors.

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- All Allocations including Unidentified Gas will be viewable on Gemini on D+1 A new Meter ID will be allocated to each Shipper, per LDZ, to view their allocation of Unidentified Gas

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**NDM Demand Estimation**

- The new Supply Meter Point Demand Estimation Methodology (published on Joint Office website) will be effective from ~~go live the 4<sup>th</sup> October~~ and will be used to calculate NDM demand for the Go Live date and will be used on D-1 of Go Live for Gas Nominations & D+1 of Go Live for Allocations.

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## 7.9 Unique Sites

**Confirmation Reference Number and Logical Meter Number**

- All existing non-telemetered Unique Sites Supply Meter Points will be allocated a Confirmation Reference instead of a Logical Meter Number (LMN). Telemetered Supply Points (NTS & LDZ) will continue to be allocated an LMN.
- A Confirmation Number will be generated and assigned to non-telemetered Unique Sites Supply Meter Points and communicated in advance of Go Live. The Confirmation Reference will replace the LMN.

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**Supply Point Offers**

- There are no changes to the arrangements for submitting a Supply Point Offer however Offers submitted to the Shipper pre Go Live will be based on the current DM/NDM arrangements and not based on the 'Class' of the Supply Point.
  - All outstanding 'Live' Offers will be invalidated at Go Live and will not be migrated over.

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- A Confirmation received post Go Live confirming an Offer submitted under the old arrangements (DM/NDM) will be rejected.

**Supply Point Referral**

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- There are no changes to the arrangements for the Referral to Distribution Networks following a Supply Point Nomination however the outcome of a Referral is an Offer which will not be valid under the new arrangements.
- A Referral is only required where the Supply Point is DM and the Nomination is requesting a change to the existing SOQ / SHQ.
  - Any Referrals outstanding as a result of a Supply Point Nomination at Go Live will be cancelled and will not be migrated over.

**Transportation Charges**

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- Transportation charges for the month prior to go live (for 1<sup>st</sup> June go live this will be the May 2016 September) billing period will be calculated and issued from legacy systems and files, i.e. Unique Site invoicing file.

## 7.10 Adjustments

- As a result of the implementation of the retrospective adjustments functionality to update asset data and replace reads directly via a file some of the existing reasons for raising a Consumption Adjustment will no longer be required.
- In-flight DM consumption adjustments at Go Live will be updated by the DMSP into CMS.**or Portal**
- If an adjustment is received following Go Live which does not meet the validation requirements or submitted using the incorrect adjustment code in the Contact Management System (CMS) will be rejected.
- The Adjustment Codes that will remain in the Contact Management System (CMS) are;
  - CMP/Z to raise a consumption adjustment for;
    - Faulty Assets
    - Meter Bypass
    - OFFMAT
  - TOG to raise a consumption adjustment for Theft of Gas
  - DMQ to raise a consumption adjustment for Daily Read Errors
- CMS contact codes that are due to be de-commissioned will be actively managed and closed out prior to Go Live.
- Outstanding CMS contacts received prior to Go Live will be resolved within the M+2 standard.
- Adjustments for LSP Supply Meter Points that span or relate to periods prior to Go Live will be included in the transitional RbD smear for 12 months, thereafter the values will be included in the Unidentified Gas reconciliation (see Section 7.4)

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## 7.11 Meter Readings

- Meter readings submitted on or after Go Live will be subject to the new meter read validation rules including meter readings with a read date pre Go Live.
- The meter read submission rules will apply based on the default Class from Go Live;
  - DM Meter Points migrated to Class 1; daily reads will be submitted by the DMSP
  - DME Meter Points migrated to Class 2; daily reads to be submitted by the Shipper in accordance with the read submission rules for Class 2 from Go Live

- NDM Meter Points migrated to Class 4; periodic reads submitted by the Shipper in accordance with the read submission rules for Class 4
- The Meter Read Frequency (MRF) of a Class 4 meter point at Go Live will be the MRF on the day before Go Live.
- Estimated meter readings required for all Meter Points on or after Go Live will be in accordance with the new estimation rules relevant to the Class of the Meter Point
- Submission of Check Reads will apply on the anniversary date when the installation of the automated meter read equipment (AMR) was installed as per the update on the Supply Point Register by the Shipper or from the anniversary date of the previous Check Read recorded.
- The first Check Read received following Go Live where there is no previous record of a Check Read, the drift, if applicable, will be apportioned between the Check Read and the read recorded when the AMR flag was set or, if not available, the nearest actual read recorded when the AMR flag was updated.
- For reads submitted on or after Go Live, the read submission rules will apply using the read date of the last read recorded pre Go Live, for example, for a Supply Meter Point in Class 4 with a Monthly Meter Read Frequency, the read must be at least 7 calendar days since the previous meter read.

### 7.12 Billing Periods

- From Go Live date the new invoices will apply to the billing month of ~~June 2017~~ ~~October~~. Invoices for the ~~September~~ ~~May 2016~~ billing period will, where specifically identified, be issued using the existing invoice type, invoice files and code communication
- The following document is a list of all current invoices and the transitional arrangements for each invoice type following Go Live.

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Inv files PN  
UNC\_09Dec.xlsx

### 7.13 MPRN Lifecycle

#### **MPRN Creation**

- M Number creation activities will continue via the Contact Management System (CMS)
- Requests submitted prior to UKLink Suspension will be processed, subject to validation
- Any outstanding requests at Go Live will be migrated and processed

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#### **MPRN Registration**

- There is no change to the Registration process for a greenfield site. See Section 7.2 for the transitional arrangements for a new SSP & LSP Registration (Nomination & Confirmation process)

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#### **MPRN Status Update**

- A Meter Point Status can only be changed from 'Dead' to 'Live' after Go Live. Any challenges submitted prior to Go Live will be rejected. An MPR that is 'Dead' before go live can be made 'Live' after go live

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#### **Unregistered Sites**

- All unregistered Meter Points will be migrated and processed as per the existing process.

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### 7.14 Ratchets

Ratchets occur on LDZ DM Supply Meter Points where the offtake exceeds the registered SOQ during the winter period.

- During the transitional period on Gas Flow Days (GFD's) of the 27<sup>th</sup>, 28<sup>th</sup>, 29<sup>th</sup>, 30<sup>th</sup> & 31<sup>st</sup> May, following acceptance of the read from the DMSP, should a ratchet occur the Ratchet pre Notification file (PRN) will be issued to the Shipper and the SOQ will increase as per the standard process.
- However, a consumption adjustment will be input by Xoserve in order to reduce the offtake for the day and reduce the SOQ back to the pre-ratchet value.
- The Ratchet Notification file (RAT) will not be issued as the ratchet will have been cancelled via the consumption adjustment process.
- Post Go Live and after Exit Close Out (GFD+5), but no later than the 10<sup>th</sup> calendar day after Go Live (for a 1<sup>st</sup> June implementation this will be the 10<sup>th</sup> June) a consumption adjustment will be input by Xoserve in new UK Link for the GFD on which the ratchet originally occurred to increase the offtake back up the ratcheted value in order to ensure all energy is correct for the GFD
- This will also apply for Seasonal Large Supply Points (SLSP) for GFD's 27<sup>th</sup>, 28<sup>th</sup>, 29<sup>th</sup>, 30<sup>th</sup> & 31<sup>st</sup> May.

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## 8. Document Control

### Version History

Version	Status	Date	Author(s)	Summary of Changes
0.1	Initial Draft	04/04/2014	Xoserve	First draft
0.2	Draft	22/04/2014	Xoserve	Updates agreed at 15/04/2014 & inclusion of Retro Update rules
0.3	Draft	16/06/2014	Xoserve	Updates as agreed at 12/05/14 meeting clarification of rules under section 7.4
0.4	Draft	14/07/2014	Xoserve	Updates to remove sections 7.5 & 7.6 as documented in separate document
0.5	Draft	04/08/2014	Xoserve	Approved updates from version 0.4 and added 'Dates Agreed at nexus' under Section 6
0.6	Draft	21/09/2014	Xoserve	Updates following 9 <sup>th</sup> September meeting
0.7	Draft	13/10/14	Xoserve	Corrections identified at 07/10/14 meeting
0.8	Draft	28/11/2014	Xoserve	Unique Sites & Adjustment transitional arrangements presented at the November workgroup, also included AQ rules agreed at September PN UNC.
0.9	Draft for Approval	24/03/2015	Xoserve	Updated to reflect legal text for Mod 0528
1.0	Approved	31/03/2015	Xoserve	As agreed at PN UNC on 25/03/2015, this version 1.0 is the approved & clean version 0.9.
1.1	Draft for approval	10/07/2015	Xoserve	Added clarification following review comments
1.2	Draft for approval	20/07/2015	Xoserve	Updates following review at PN UNC on 15/07/2015
1.3	Draft for approval	30/07/2015	Xoserve	Updates following comments received on v1.2
1.4	Draft Approved	10/08/2015	Xoserve	Updates following comments received at Nexus Workgroup
2.0	Approved	10/08/2015	Xoserve	Version 1.4 baselined

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2.1	For review	30/09/2016	Xoserve	Updated following delay to PNID. Based on 1 <sup>st</sup> June 2017 implementation
2.2	For review	21/12/2016	Xoserve	Updates following internal review & included transitional arrangements for Supply Point Category changes
2.3	For review	15/02/2017	Xoserve	Updated Ratchets transitional arrangements as agreed at Distribution Workgroup on 13/02/2017 (Section 7.14)

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Reviewers

Name	Version	Date
PN UNC	All	

Approval

Name	Version	Date
PN UNC	2.0	10/08/2015
Distribution Workgroup		