

Stage 03: Draft Modification Report

0403:

EU Third Package – 21 day switching with flexible objection period

What stage is this document in the process?



This proposal outlines a registration solution to enable supplier compliance with the EU directive for 21 calendar day switching.



Responses invited by 02 March 2012.



High Impact:
Distribution Networks, Shippers and Suppliers



Medium Impact: -



Low Impact: -

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About this document:

This document is a Draft Modification Report, which was issued for consultation responses, at the request of the Panel on 19 January 2012.

The close-out date for responses is 02 March 2012.

The Panel will consider the responses and agree whether or not this modification should be made.



3 **Any questions?**

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1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this modification should not follow Self Governance procedures.

Why Change?

Article 3(5a) of the Electricity Directive and Article 3(6a) of the Gas Directive requires Member States to ensure that where a customer, while respecting contractual conditions, wishes to change Supplier, the change is effected within three weeks. The detailed measures are described in the DECC Impact Assessment No.DECC0003 dated 14/01/2011. Government has transposed the requirements into the Statutory Instrument, The Electricity and Gas (Internal Markets) Regulations 2011.

Part 3 of these Regulations will amend the Standard Conditions of a Gas Supply Licence, specifically by adding Standard Condition 14A Customer Transfer; 'Obligation to complete a Supply Transfer within three weeks.' In order to comply a Supplier will need to make arrangements with their Shipper to transfer ownership of the relevant Supply Point within the prescribed timescales.

Existing UNC business rules and industry systems do not facilitate 3 week (21 calendar day) switching.

Solution

The three-week switching period can start and/or end on any calendar or business day and that period may additionally include bank holidays and designated non-working days. The switching process needs to ensure switching compliance in all circumstances and the existing current process with a latest confirmation request date of Supply Point Registration Date (SRD) – 15 Business Days will not guarantee this.

However, this could be achieved by:

1. Fixing the Confirmation Window to SRD-7 Business Days through to SRD i.e. exactly as it is under the existing rules.
2. Make the minimum confirmation lead time 21 Calendar Days
3. Absorb any limitation of days in a flexible Objection period.
4. Process Objection notifications on any Business Day within the period.

Impacts & Costs

Changes to the Confirmation Request Window, to be defined as the period between SRD – 30 Business Days and SRD – 21 Calendar Days. The Flexible objection window will be determined by the SRD -7 Business days.

- Impacts across SPA Processes, Metering and Meter Reading Processes and Reporting Interfaces for relevant parties.

- Estimated costs to Xoserve systems – to be advised.
- Expected to be low or no impact on Gemini.
- No impact on processes including and following transfer notification (SRD-7).

Implementation

- The modification proposal is raised in anticipation of a licence condition requiring suppliers to have the ability to complete a registration at Change of Supplier within 21 Calendar Days.
- First indications are that timescales for joint delivery are expected to be less than 12 months' duration due to the reduced complexity of this modification proposal against that of Modification 0396.

The Case for Change

The modification is due to a Licence requirement being placed on Suppliers, which require Suppliers to effect the Change of Supplier process within 3 weeks (21 Calendar Days). If this Licence requirement does not come into force, this Modification will not be required.

It is therefore anticipated that this modification will better facilitate the achievement of Relevant Objective c) Efficient discharge of the licensee's obligations.

This modification seeks to minimise the system and process implications to the parties involved, thereby reducing the risk to those parties. It is intended to be an interim measure that will ensure compliance until the Gas Change of Supplier processes can be reviewed more fully along with those of the Electricity industry, and may or may not be associated with the development of Nexus and/or Industry processes for Smart metering.

Recommendations

All parties are invited to consider whether they wish to submit views regarding this modification.

2 Why Change?

Context and Issue

1. A new licence condition is to be introduced to the Supplier Licence (Supplier Standard License Condition 14a). This will require Suppliers to complete a transfer between suppliers within three weeks, interpreted as 21 Calendar Days.
2. The change is required to facilitate a Supplier's ability to comply with proposed Licence condition.
3. The minimum transfer time under existing rules is 22 Calendar Days and this is dependent on the day of the week that the request is made and the day of the week on which the Supply Point Registration Date (SRD) falls.
4. Consequently the current Change of Supplier process will need to be revised to ensure Suppliers comply with their Licence.
5. Project Nexus is expected to be delivered within 3 years. The Industry is considering the process impacts of the introduction of Smart Metering. It is expected that the Change of Supplier process will be considered during the delivery of these projects and it is believed that major investment in changing the Change of Supplier process should be made at that time and only following more extensive analysis and in conjunction with the Electricity Industry.
6. Consequently this solution attempts to deliver a lower cost and faster solution that enables compliance, which will be considered as an interim measure until the Industry performs a more extensive review.

Possible Difficulties – Large Supply Points

The Licence Condition is to apply to both Domestic and I & C customers, i.e. large and small supply points. Large supply points require Nomination prior to confirmation and this has not been incorporated with the 21 Calendar Day window. It is anticipated that most large supply points are subject to contracts and that the nomination process could be performed whilst the contract is being determined or incorporated in terms.

Domestic large supply points may be nominated during the cooling off period and this will have no further impact if the customer chooses not to go ahead with the contract.

3 Solution

Definitions

This section refers to the following Rules and definitions:

- Calendar Days – all days of the year including weekends and bank holidays.
- Working Days – weekdays including bank holidays but NOT weekends.
- Business Days – days upon which XOSERVE operates (currently does not include weekends or bank holidays and other designated days).
- Transfer notification period is SRD-7
- That flows will only be processed by XOSERVE on BUSINESS DAYS.
- That 21 Calendar days is the finite limit from start to finish of the CoS process.
- That Supply Point Registration Date (SRD) is counted as Calendar Day 21.
- That the day the S42/S38 Confirmation request is submitted is Calendar Day 1
- That SRD can fall on ANY calendar day including weekends or bank holidays.
- That a Confirmation request is normally sent on D1, i.e. directly after the cooling off period where applicable. Note: the confirmation request may be submitted earlier up to SRD – 30 business days if required under commercial contracts for example.

Fix Transfer Notification to D-7 Business Days prior to SRD.

Transfer Notification flow TRF S15 is issued 7 Business Days BEFORE Supply Point Registration Date (SRD).

This is the timetable currently defined in the XOSERVE system and reflects the terms laid out in the UNC.

Absorb any limitation in the number of Business Days in a flexible Objection period.

Fixing the confirmation issue date to seven business days prior to SRD results in a maximum objection period of 7 Business Days following submission of a confirmation file. However this is impacted when a non business day or Bank Holiday falls within the available time slot, and can be reduced further over the Christmas & New Year period.

Because these occurrences are only limited instances that impact SRD, it is not proposed to limit all objections to match this minimum. Instead this proposal is to allow all available days up to and including SRD-8 to be usable for the production of Objections

Therefore the minimum window in which a confirmation could be achieved would be 21 Calendar days, where the confirmation request would be on Day 1 of that period and SRD would be on Day 21. This solution ensures that ALL transfers would happen within 21 Calendar Days, without exception.

Illustrations of Proposal

To illustrate this, a number of diagrams for each of the main variations are provided, and the key to these illustrations is as follows:

Description	Key
Calendar Days	CD (D-3)
Business Days	D-7
Objection Days	Obj
Request Sent	RQ
Supply Registration	
Start Date	SSD
Non Working days	
UK Bank Holiday	
Scottish Bank Holiday	

1. Change of Supplier with NO Bank Holidays

The first example is of a CoS which takes place when there are no bank holidays at any point in the 21 calendar day period. By starting at SSD on 23/10/2011 and counting back seven Business Days one can determine that D-7 is on 13/10/2011. You can then see that there are then SEVEN Business Days during which an Objection could be used.

Illustration 1 – 21 day window with no Bank Holidays

ENGLAND & WALES		CD		SCOTLAND		Day Type
02/10/2011	Sunday			02/10/2011	Sunday	Week End
03/10/2011	Monday	RQ		03/10/2011	Monday	Business Day
04/10/2011	Tuesday	D-20	Obj	04/10/2011	Tuesday	Business Day
05/10/2011	Wednesday	D-19	Obj	05/10/2011	Wednesday	Business Day
06/10/2011	Thursday	D-18	Obj	06/10/2011	Thursday	Business Day
07/10/2011	Friday	D-17	Obj	07/10/2011	Friday	Business Day
08/10/2011	Saturday	D-16		08/10/2011	Saturday	Week End
09/10/2011	Sunday	D-15		09/10/2011	Sunday	Week End
10/10/2011	Monday	D-14	Obj	10/10/2011	Monday	Business Day
11/10/2011	Tuesday	D-13	Obj	11/10/2011	Tuesday	Business Day
12/10/2011	Wednesday	D-12	Obj	12/10/2011	Wednesday	Business Day
13/10/2011	Thursday	D-11	D-7	13/10/2011	Thursday	Business Day
14/10/2011	Friday	D-10	D-6	14/10/2011	Friday	Business Day
15/10/2011	Saturday	D-9		15/10/2011	Saturday	Week End
16/10/2011	Sunday	D-8		16/10/2011	Sunday	Week End
17/10/2011	Monday	D-7	D-5	17/10/2011	Monday	Business Day
18/10/2011	Tuesday	D-6	D-4	18/10/2011	Tuesday	Business Day
19/10/2011	Wednesday	D-5	D-3	19/10/2011	Wednesday	Business Day
20/10/2011	Thursday	D-4	D-2	20/10/2011	Thursday	Business Day
21/10/2011	Friday	D-3	D-1	21/10/2011	Friday	Business Day
22/10/2011	Saturday	D-2		22/10/2011	Saturday	Week End
23/10/2011	Sunday	SSD		23/10/2011	Sunday	Week End
24/10/2011	Monday			24/10/2011	Monday	Business Day
25/10/2011	Tuesday			25/10/2011	Tuesday	Business Day
26/10/2011	Wednesday			26/10/2011	Wednesday	Business Day
27/10/2011	Thursday			27/10/2011	Thursday	Business Day
28/10/2011	Friday			28/10/2011	Friday	Business Day

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2. Change of Supplier with One Bank Holiday

This example is of a CoS which takes place when there is a bank holiday in the Confirmation Period but NONE in the Objection period.

By starting at SSD on 13/05/2012 and counting back seven Business Days one can determine that D-7 is on 02/05/2011. You can then see that still leaves SIX Business Days during which an Objection could be used.

Illustration 2 – 21 day window with Bank Holiday in Confirmation window

ENGLAND & WALES		CD		SCOTLAND		Day Type
22/04/2012	Sunday			22/04/2012	Sunday	Week End
23/04/2012	Monday	RQ		23/04/2012	Monday	Business Day
24/04/2012	Tuesday	D-20	Obj	24/04/2012	Tuesday	Business Day
25/04/2012	Wednesday	D-19	Obj	25/04/2012	Wednesday	Business Day
26/04/2012	Thursday	D-18	Obj	26/04/2012	Thursday	Business Day
27/04/2012	Friday	D-17	Obj	27/04/2012	Friday	Business Day
28/04/2012	Saturday	D-16		28/04/2012	Saturday	Week End
29/04/2012	Sunday	D-15		29/04/2012	Sunday	Week End
30/04/2012	Monday	D-14	Obj	30/04/2012	Monday	Business Day
01/05/2012	Tuesday	D-13	Obj	01/05/2012	Tuesday	Business Day
02/05/2012	Wednesday	D-12	D-7	02/05/2012	Wednesday	Business Day
03/05/2012	Thursday	D-11	D-6	03/05/2012	Thursday	Business Day
04/05/2012	Friday	D-10	D-5	04/05/2012	Friday	Business Day
05/05/2012	Saturday	D-9		05/05/2012	Saturday	Week End
06/05/2012	Sunday	D-8		06/05/2012	Sunday	Week End
07/05/2012	Monday	D-7		07/05/2012	Monday	Bank Holiday
08/05/2012	Tuesday	D-6	D-4	08/05/2012	Tuesday	Business Day
09/05/2012	Wednesday	D-5	D-3	09/05/2012	Wednesday	Business Day
10/05/2012	Thursday	D-4	D-2	10/05/2012	Thursday	Business Day
11/05/2012	Friday	D-3	D-1	11/05/2012	Friday	Business Day
12/05/2012	Saturday	D-2		12/05/2012	Saturday	Week End
13/05/2012	Sunday	SSD		13/05/2012	Sunday	Week End
14/05/2012	Monday			14/05/2012	Monday	Business Day
15/05/2012	Tuesday			15/05/2012	Tuesday	Business Day
16/05/2012	Wednesday			16/05/2012	Wednesday	Business Day
17/05/2012	Thursday			17/05/2012	Thursday	Business Day
18/05/2012	Friday			18/05/2012	Friday	Business Day

3. Change of Supplier with One Bank Holiday in Objection period

This example is of a CoS which takes place when there is a bank holiday in the Objection Period but NONE in the D-7 Confirmation period.

By starting at SSD on 20/05/2012 and counting back seven Business Days one can determine that D-7 is on 10/05/2011. That still leaves SIX Business Days during which an Objection could be used even if the bank holiday is not used – this becomes more critical where there are multiple bank holidays.

Illustration 3 – 21 day window with one Bank Holiday in Objection window

ENGLAND & WALES		CD		SCOTLAND		Day Type
29/04/2012	Sunday			29/04/2012	Sunday	Week End
30/04/2012	Monday	RQ		30/04/2012	Monday	Business Day
01/05/2012	Tuesday	D-20	Obj	01/05/2012	Tuesday	Business Day
02/05/2012	Wednesday	D-19	Obj	02/05/2012	Wednesday	Business Day
03/05/2012	Thursday	D-18	Obj	03/05/2012	Thursday	Business Day
04/05/2012	Friday	D-17	Obj	04/05/2012	Friday	Business Day
05/05/2012	Saturday	D-16		05/05/2012	Saturday	Week End
06/05/2012	Sunday	D-15		06/05/2012	Sunday	Week End
07/05/2012	Monday	D-14		07/05/2012	Monday	Bank Holiday
08/05/2012	Tuesday	D-13	Obj	08/05/2012	Tuesday	Business Day
09/05/2012	Wednesday	D-12	Obj	09/05/2012	Wednesday	Business Day
10/05/2012	Thursday	D-11	D-7	10/05/2012	Thursday	Business Day
11/05/2012	Friday	D-10	D-6	11/05/2012	Friday	Business Day
12/05/2012	Saturday	D-9		12/05/2012	Saturday	Week End
13/05/2012	Sunday	D-8		13/05/2012	Sunday	Week End
14/05/2012	Monday	D-7	D-5	14/05/2012	Monday	Business Day
15/05/2012	Tuesday	D-6	D-4	15/05/2012	Tuesday	Business Day
16/05/2012	Wednesday	D-5	D-3	16/05/2012	Wednesday	Business Day
17/05/2012	Thursday	D-4	D-2	17/05/2012	Thursday	Business Day
18/05/2012	Friday	D-3	D-1	18/05/2012	Friday	Business Day
19/05/2012	Saturday	D-2		19/05/2012	Saturday	Week End
20/05/2012	Sunday	SSD		20/05/2012	Sunday	Week End
21/05/2012	Monday			21/05/2012	Monday	Business Day
22/05/2012	Tuesday			22/05/2012	Tuesday	Business Day
23/05/2012	Wednesday			23/05/2012	Wednesday	Business Day
24/05/2012	Thursday			24/05/2012	Thursday	Business Day
25/05/2012	Friday			25/05/2012	Friday	Business Day

4. Change of Supplier with two Bank Holidays in the 21 calendar day period

This example is of a CoS which takes place when there are two bank holidays within the D-7 Confirmation_Period but NONE in the Objection period.

By starting at SSD on 07/06/2012 and counting back seven Business Days one can determine that D-7 is on 25/05/2011. That leaves FOUR Business Days during which an Objection could be raised.

Note: If the Bank Holidays fell inside the Objection period then there would still be five working days available.

Illustration 4 – 21 day window with multiple Bank Holidays

ENGLAND & WALES		CD		SCOTLAND		Day Type
13/05/2012	Sunday			13/05/2012	Sunday	Week End
14/05/2012	Monday			14/05/2012	Monday	Business Day
15/05/2012	Tuesday			15/05/2012	Tuesday	Business Day
16/05/2012	Wednesday			16/05/2012	Wednesday	Business Day
17/05/2012	Thursday			17/05/2012	Thursday	Business Day
18/05/2012	Friday	RQ		18/05/2012	Friday	Business Day
19/05/2012	Saturday	D-20		19/05/2012	Saturday	Week End
20/05/2012	Sunday	D-19		20/05/2012	Sunday	Week End
21/05/2012	Monday	D-18	Obj	21/05/2012	Monday	Business Day
22/05/2012	Tuesday	D-17	Obj	22/05/2012	Tuesday	Business Day
23/05/2012	Wednesday	D-16	Obj	23/05/2012	Wednesday	Business Day
24/05/2012	Thursday	D-15	Obj	24/05/2012	Thursday	Business Day
25/05/2012	Friday	D-14	D-7	25/05/2012	Friday	Business Day
26/05/2012	Saturday	D-13		26/05/2012	Saturday	Week End
27/05/2012	Sunday	D-12		27/05/2012	Sunday	Week End
28/05/2012	Monday	D-11	D-6	28/05/2012	Monday	Business Day
29/05/2012	Tuesday	D-10	D-5	29/05/2012	Tuesday	Business Day
30/05/2012	Wednesday	D-9	D-4	30/05/2012	Wednesday	Business Day
31/05/2012	Thursday	D-8	D-3	31/05/2012	Thursday	Business Day
01/06/2012	Friday	D-7	D-2	01/06/2012	Friday	Business Day
02/06/2012	Saturday	D-6		02/06/2012	Saturday	Week End
03/06/2012	Sunday	D-5		03/06/2012	Sunday	Week End
04/06/2012	Monday	D-4		04/06/2012	Monday	Bank Holiday
05/06/2012	Tuesday	D-3		05/06/2012	Tuesday	Bank Holiday
06/06/2012	Wednesday	D-2	D-1	06/06/2012	Wednesday	Business Day
07/06/2012	Thursday	SSD		07/06/2012	Thursday	Business Day
08/06/2012	Friday			08/06/2012	Friday	Business Day

5. Change of Supplier with four Bank Holidays in the 21 calendar day period

This example is of a CoS which takes place over the Christmas and New Year period and is the worst case scenario.

By starting at SSD on 12/01/2012 and counting back seven Business Days one can determine that D-7 is on 30/12/2011. That leaves only TWO Business Days during which an Objection could be raised.

Illustration 5 – 21 day window with four Bank Holidays

ENGLAND & WALES		CD		SCOTLAND		Day Type
18/12/2011	Sunday			18/12/2011	Sunday	Week End
19/12/2011	Monday			19/12/2011	Monday	Business Day
20/12/2011	Tuesday			20/12/2011	Tuesday	Business Day
21/12/2011	Wednesday			21/12/2011	Wednesday	Business Day
22/12/2011	Thursday			22/12/2011	Thursday	Business Day
23/12/2011	Friday	RQ		23/12/2011	Friday	Business Day
24/12/2011	Saturday	D-20		24/12/2011	Saturday	Week End
25/12/2011	Sunday	D-19		25/12/2011	Sunday	Week End
26/12/2011	Monday	D-18		26/12/2011	Monday	Bank Holiday
27/12/2011	Tuesday	D-17		27/12/2011	Tuesday	Bank Holiday
28/12/2011	Wednesday	D-16	Obj	28/12/2011	Wednesday	Business Day
29/12/2011	Thursday	D-15	Obj	29/12/2011	Thursday	Business Day
30/12/2011	Friday	D-14	D-7	30/12/2011	Friday	Business Day
31/12/2011	Saturday	D-13		31/12/2011	Saturday	Week End
01/01/2012	Sunday	D-12		01/01/2012	Sunday	Week End
02/01/2012	Monday	D-11		02/01/2012	Monday	Bank Holiday
03/01/2012	Tuesday	D-10		03/01/2012	Tuesday	Scottish Bank Holiday
04/01/2012	Wednesday	D-9	D-6	04/01/2012	Wednesday	Business Day
05/01/2012	Thursday	D-8	D-5	05/01/2012	Thursday	Business Day
06/01/2012	Friday	D-7	D-4	06/01/2012	Friday	Business Day
07/01/2012	Saturday	D-6		07/01/2012	Saturday	Week End
08/01/2012	Sunday	D-5		08/01/2012	Sunday	Week End
09/01/2012	Monday	D-4	D-3	09/01/2012	Monday	Business Day
10/01/2012	Tuesday	D-3	D-2	10/01/2012	Tuesday	Business Day
11/01/2012	Wednesday	D-2	D-1	11/01/2012	Wednesday	Business Day
12/01/2012	Thursday	SSD		12/01/2012	Thursday	Business Day
13/01/2012	Friday			13/01/2012	Friday	Business Day

4 Relevant Objectives

Implementation will better facilitate the achievement of **relevant objective g.**

The benefits against the Code Relevant Objectives	
Description of Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
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.	Yes

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

Allows Shippers and Suppliers to meet their respective licence conditions and comply with the requirements of the EU Third Energy Package.

5 Impacts and Costs

Consideration of Wider Industry Impacts

The proposal will impact the Change of Supplier systems and processes of suppliers, shippers and Xoserve (the Distribution Networks' agent). Additionally shippers' and suppliers' internal associated systems, for example those connected with acquisition or obtaining and dispatch of opening meter readings, may be impacted.

A more detailed assessment is necessary and anticipated.

- The period for objections will flex according to the number of non-business days within the 21 calendar day window.
- The transfer notification window will remain as now, defined as SRD – 7 business days.
- Confirmation requests may occur within the period SRD – 30 business days and SRD – 20 Calendar days, (where SRD -20 equals 21 Calendar Days)
- For the I & C sector, where nominations are required, it is expected that customers will be subject to contract terms and that the nomination process will be accommodated within the contract negotiation process.

Costs

It is acknowledged that transporters will not benefit from the proposed changes and costs are anticipated to fall on Users.

Indicative industry costs – User Pays
Classification of the Proposal as User Pays or not and justification for classification
User Pays
Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification
100% of costs to Users. The Workgroup considered a transactional charge and were unanimously opposed to this methodology for this modification. The Workgroup would prefer a one off charge based on the number of meter points in a User's portfolio. The Transporters have published a draft ACS to accommodate this change should it be implemented (see www.gasgovernance.co.uk/proposedACS).
Proposed charge(s) for application of Users Pays charges to Shippers
To be advised.

Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from Xoserve

To be advised based on options to be provided by Transporters.

Impacts

Impact on Transporters' Systems and Process

Transporters' System/Process	Potential impact
UK Link	<ul style="list-style-type: none"> High
Operational Processes	<ul style="list-style-type: none"> High
User Pays implications	<ul style="list-style-type: none"> To be determined

Impact on Users

Area of Users' business	Potential impact
Administrative and operational	<ul style="list-style-type: none"> High
Development, capital and operating costs	<ul style="list-style-type: none"> Low
Contractual risks	<ul style="list-style-type: none"> None
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> High

Impact on Transporters

Area of Transporters' business	Potential impact
System operation	<ul style="list-style-type: none"> High
Development, capital and operating costs	<ul style="list-style-type: none"> High
Recovery of costs	<ul style="list-style-type: none"> To be determined
Price regulation	<ul style="list-style-type: none"> None
Contractual risks	<ul style="list-style-type: none"> To be determined
Legislative, regulatory and contractual obligations and relationships	<ul style="list-style-type: none"> High
Standards of service	<ul style="list-style-type: none"> Low

Impact on Code Administration

Area of Code Administration	Potential impact
Modification Rules	<ul style="list-style-type: none"> n/a
UNC Committees	<ul style="list-style-type: none"> n/a



Where can I find details of the UNC Standards of Service?

In the Revised FMR for Transco's Network Code Modification

0565 Transco Proposal for Revision of Network Code Standards of Service

at the following location:

<http://www.gasgovernance.co.uk/sites/default/files/0565.zip>

Impact on Code Administration	
General administration	<ul style="list-style-type: none"> n/a

Impact on Code	
Code section	Potential impact
To be determined	

Impact on UNC Related Documents and Other Referenced Documents	
Related Document	Potential impact
Network Entry Agreement (TPD I1.3)	<ul style="list-style-type: none"> None
Network Exit Agreement (Including Connected System Exit Points) (TPD J1.5.4)	<ul style="list-style-type: none"> None
Storage Connection Agreement (TPD R1.3.1)	<ul style="list-style-type: none"> None
UK Link Manual (TPD U1.4)	<ul style="list-style-type: none"> To be determined
Network Code Operations Reporting Manual (TPD V12)	<ul style="list-style-type: none"> To be determined
Network Code Validation Rules (TPD V12)	<ul style="list-style-type: none"> To be determined
ECQ Methodology (TPD V12)	<ul style="list-style-type: none"> None
Measurement Error Notification Guidelines (TPD V12)	<ul style="list-style-type: none"> None
Energy Balancing Credit Rules (TPD X2.1)	<ul style="list-style-type: none"> None
Uniform Network Code Standards of Service (Various)	<ul style="list-style-type: none"> To be determined

Impact on Core Industry Documents and other documents	
Document	Potential impact
Safety Case or other document under Gas Safety (Management) Regulations	<ul style="list-style-type: none"> None
Gas Transporter Licence	<ul style="list-style-type: none"> None

Other Impacts	
Item impacted	Potential impact

Security of Supply	<ul style="list-style-type: none"> • None
Operation of the Total System	<ul style="list-style-type: none"> • None
Industry fragmentation	<ul style="list-style-type: none"> • None
Terminal operators, consumers, connected system operators, suppliers, producers and other non code parties	<ul style="list-style-type: none"> • Removes a current contractual risk for Suppliers who may not be able to meet their current customer obligations to allow switching within 21 days.

6 Implementation

The Workgroup have not provided a timescale for implementation of this modification (as referred to in 6.2.1 of the Modification Rules) as it is not required for the purposes of enabling the Authority or any persons, including but not limited to Users, Transporters, Third Party Participants and Non Code Parties to be aware of the potential benefits or constraints associated with such timing.

7 The Case for Change

In addition to those noted above, the following were identified:

Advantages

Retaining the D-7 Confirmation date has a number of advantages:

- No changes needed to Transporter processes or systems for D-7 Confirmation.
- No changes needed to Shipper or Supplier processes or systems for Confirmation.
- No changes needed to other connected and existing processes, for example obtaining opening meter readings, the use of which also falls under the EU Directive.
- No changes needed to Gemini, required if the Confirmation Window is changed.
- Suppliers may utilise non-working days for Objection processing.
- All transfers can be achieved within 21 calendar days from the point of confirmation.

Disadvantages

Reducing the Objection Window

- Increases risks on outgoing supplier
- I & C Customer and Supplier interactions for issue resolution will be reduced as customers are also likely to not be working on non-business days.
- Co-operative objections may not be effected in the reduced window leading to erroneous transfers at particular times of the year.
- Transporters may utilise shipper and supplier processing time by not processing Change of Supplier files received within a business day. (Transporters have indicated that in practice they do in fact meet these deadlines but cannot give an absolute guarantee and therefore would wish to commit to achieving this performance level on a 'reasonably practicable' basis.) Given that the period of maximum constraint occurs only during the Christmas/New Year period, this risk is believed to be minimal.

8 Legal Text

The following Legal Text was prepared by National Grid Distribution, and no issues were raised by the Workgroup regarding its content.

TPD Section G

Amend paragraph 2.5.8 to read as follows:

2.5.8 The Proposed Supply Point Registration Date shall be:

- (a) not more than 30 Business Days after the Supply Point Confirmation is submitted; and
- (b) not less than 20 Calendar Days commencing on the Day after the Supply Point Confirmation is submitted unless:
 - (i) at the time that the Supply Point Confirmation is submitted a Supply Point Withdrawal has been submitted by the Existing Registered User in respect of each Existing Supply Point in which case the Proposed Supply Point Registration Date shall not be less than 8 Business Days;
 - (ii) there is no change in the identity of the Registered User in respect of the Supply Point, in which case the Proposed Supply Point Registration Date shall not be less than 8 Business Days; or
 - (iii) where the Supply Point Confirmation is resulting from a Supply Point Commodity Rate Renomination (a "**Supply Point Commodity Rate Confirmation**") in which case the Proposed Supply Point Registration Date shall not be less than 4 Business Days; and
- (c) not earlier than 2 months (or such lesser period as the Transporter may specify) after the Supply Point Confirmation is submitted, where such Supply Point ceases to be, or becomes, a category of Special Metering Supply Point described in paragraph 7.1.1(d)(ii)(2), 7.1.1(d)(ii)(3), or 7.1.1(d)(iv).

Amend paragraph 2.5.11 to read as follows:

2.5.11 Where the Transporter does not reject the Supply Point Confirmation it will as soon as reasonably practicable and in any event within 2 Business Days after the Supply Point Confirmation was communicated, give notice to the Proposing User acknowledging the Supply Point Confirmation.

Amend paragraph 2.8.1 to read as follows:

2.8.1 Where, at the time a User submits a Supply Point Confirmation which is not rejected by the Transporter, there is any Existing Supply Point in respect of which a Supply Point Withdrawal has not been submitted:

- (a) the Transporter will, as soon as reasonably practicable and in any event within 2 Business Days after the Supply Point Confirmation was submitted, notify the Existing Registered User of the submission of the Supply Point Confirmation and the Proposed Supply Point Registration Date, but not the identity of the Proposing User;

- (b) the Existing Registered User may, up to but not after:
- (i) the 7th Business Day after the date of notification to the Existing Registered User of the submission of the Supply Point Confirmation; or
 - (ii) if earlier, the 8th Business Day before the Proposed Supply Point Registration Date,
(in either case the "**Objection Deadline**")
- submit to the Transporter an objection ("**Supply Point Objection**") in respect of such Existing Supply Point provided that the Existing Registered User shall not submit such Supply Point Objection where a domestic consumer supplied with gas at the Existing Supply Point has ceased or is to cease to own or occupy the relevant premises; and
- (c) the Proposing User may, subject to paragraph 2.8.8 (in the case of a Smaller Point) up to but not after the 8th Business Day before the Proposed Supply Point Registration Date submit to the Transporter a cancellation ("**Supply Point Confirmation Cancellation**") in respect of such Supply Point Confirmation.

Amend paragraph 2.8.3 to read as follows:

2.8.3 Where a User submits a Supply Point Objection to the Transporter:

- (a) the objecting User is required to declare its identity in the objection;
- (b) the Transporter will, as soon as reasonably practicable and in any event within 2 Business Days after the Supply Point Objection was submitted, notify such objection, including (where declared in the objection) the identity of the objecting User, to the Proposing User;
- (c) where the objecting User did not comply with the requirement in paragraph (a):
 - (i) the Transporter will not reject the Supply Point Objection (which will accordingly be effective for the purposes of paragraph 2.8.6);
 - (ii) the Transporter will, if requested by the Proposing User, provide to the Proposing User the identity of the objecting User as soon as is reasonably practicable but (as is acknowledged by each User) does not undertake to do so before the Objection Deadline; and
- (d) the objecting User will declare in the objection the reason for its objection and if the objecting User fails to do so the Transporter may reject such Supply Point Objection which accordingly will not be effective for the purposes of paragraph 2.8.6;
- (e) and that Supply Point Objection was raised at the request (whether directly or indirectly) of the Consumer in respect of the affected Existing Supply Point, the Transporter will, where the reasons for the objection have been provided to the Transporter by the objecting User, as soon as reasonably practicable and in any event within 2 Business Days after the Supply Point Objection was submitted, notify such reasons to the Proposing User.

9 Recommendation



Consultation Ends

All parties are invited to consider whether they wish to submit views regarding this modification.

On 02 March 2012

The close-out date for responses is 02 March 2012, which should be sent to enquiries@gasgovernance.co.uk.

A response template, which you may wish to use, is at www.gasgovernance.co.uk/0403