

**Representation - Draft Modification Report UNC 0602 0602A**  
**Implementation of Non Effective Days and Variant Non-Business Days for Project Nexus Implementation, maintaining a minimum of two Supply Point System Business Days (Project Nexus transitional modification)**

**Responses invited by: 5pm on 09 February 2017**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Colette Baldwin
<b>Organisation:</b>	E.ON Energy Solutions Ltd
<b>Date of Representation:</b>	9 <sup>th</sup> February 2017
<b>Support or oppose implementation?</b>	0602 - Qualified Support 0602A - Qualified Support
<b>Alternate preference:</b>	<i>If either 0602 or 0602A were to be implemented, which would be your preference?</i>  0602/0602A* It's not clear that Xoserve can implement 602 in the time available from discussions in the workgroup, due to the amount of work on a hard-coded change requirement, and 602A presents risks that aren't clearly understood and mitigated by the modification.
<b>Relevant Objective:</b>	<b>d) Negative</b> – the customer detriment in both modifications is significant, however I believe 602A will have greater detrimental impact.  <b>f) Netral</b> – the clarity on NEDs and VnBDs for both modification are helpful, however there is a risk particularly with 602A that the number of VnBDs envisaged as necessary may not be sufficient, and this will not be known before the Panel is required to make a recommendation on the modification.

**Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)**

602 provides a shorter objection window for the supplier to manage the conversation with the customer, but an issue overlooked by Xoserve in the original assessment means that this modification is unlikely to be delivered within the time-frame required and therefore isn't capable of being implemented.

602A maintains the standard minimum window for objections, however, Xoserve advised on the 8<sup>th</sup> February in the Change Manager's meeting that there is a meaningful risk of them being unable to bring the system back up in the time frame for the PNID+VnBDs, due to the stated intention of a number of parties to take their systems down over the weekend before the first NED. As the number of parties who would be opting for this

solution hasn't yet been fully confirmed it is not possible to absolutely quantify the risk, and therefore the time necessary to complete the activity, however Xoserve believe this may require more VnBD that those originally envisaged by this modification, and therefore there is a risk that the modification is deficient in how it will address the need for any additional VnBDs to deal with the catch-up period.

Both modifications create customer detriment in terms of certainty around switching during this period, particularly those customers who are trying to switch on the days immediately preceding the NEDs and who are impacted by objections and the ability of parties to manage erroneous and aborted transfers becomes more challenging.

Whilst it is acknowledged by Ofgem that switching times may also be impacted and parties are unable to comply with the licence conditions on switching, 602A will result in more customers' switches taking longer than those under 602.

The modifications impact customers wider than the NED and VnBDs as suppliers will have to make decisions on how to manage customer journeys both before the start of the period of NEDs and in dealing with the fallout of problems post implementation – particularly for those customers who's switch is in flight over the implementation window.

No preference is expressed for either modification as both are deficient.

**Self-Governance Statement:** *Please provide your views on the self-governance statement.*

The modifications will have an impact on shipper's and supplier's licence compliance, customer switching timescales and on Nexus delivery and therefore we would not expect the decision to be a self-governance modification.

**Implementation:** *What lead-time do you wish to see prior to implementation and why?*

We need clarity on the decision as quickly as possible as it will have an impact on the customer journey and business processes we need to manage depending on which solution is implemented.

**Impacts and Costs:** *What analysis, development and ongoing costs would you face?*

No assessment of costs have been conducted for this outside of the Nexus Programme

**Legal Text:** *Are you satisfied that the legal text will deliver the intent of the Solution(s)?*

602 – yes

602A – No – as the risk identified subsequent to the conclusion of the draft workgroup report regarding the impact of catch-up work required.

**Modification Panel Members have requested that the following questions are addressed:**

*Q1: Respondents are requested to provide views as to whether Modification 0602 provides sufficient time for objections to be raised.*

602 does give a shorter timescale to raise an objection which may be challenging for some parties, however with advance notice and sufficient preparation it should be capable of being managed.

**Are there any errors or omissions in this Modification Report that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

Yes – what happens if Xoserve require additional VnBDs due to the 602A solution and the potential of parties to start the cut-over activities over the weekend prior to the first NBD? In the workgroup discussions, Xoserve assured us that this was considered and was actually less of a risk than 602 and was why they preferred 602A and wanted to support the withdrawal of 602...however Xoserve have now revised their views on their ability to complete the catch-up in the number of VnBDs set out in the report and in the legal text.

**Please provide below any additional analysis or information to support your representation**