

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

Representative:	Fraser Mathieson
Organisation:	SGN
Date of Representation:	9 th February 2017
Support or oppose implementation?	0602 - Oppose 0602A – Support
Alternate preference:	<i>If either 0602 or 0602A were to be implemented, which would be your preference?</i> 0602A
Relevant Objective:	d) 0602: Negative, 0602A: Impacted f) 0602 and 0602A: Positive

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

SGN supports Modification Proposal 0602A as it provides for the required number of non-effective days, variant non-Business Days and Supply Point System Business Days to facilitate successful implementation of the UK-Link Replacement Programme (Project Nexus) whilst maintaining a minimum two-day objection window.

We oppose Modification Proposal 0602 as we are informed that it requires a more technically involved system solution, which may require parties to undertake significant amendments to their processes/systems to manage a substantially reduced objection window. We further understand that this cannot be delivered in time for a June Nexus implementation.

Both proposals impact relevant objective (d) as they create days where customers may be unable to switch within the 21 day period as required by Supplier Standard Licence Condition 14A. However, impacts should be considered against the benefits of successful implementation of Project Nexus. We consider that Modification Proposal

0602 negatively affects objective (d) as it also creates a significantly reduced objection window.

We consider that 0602A positively impacts relevant objective (f) as it represents the more simplistic implementation of the two options and allows Shippers to manage system implementation in a manner consistent with previous large scale implementations.

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

We agree that self-governance status should not be sought as these proposals could materially impact switching, consumer confidence and Supplier Standard Licence Condition 14A.

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

Implementation should be as soon as possible and no later than 1st March 2017 to provide confidence to parties regarding Project Nexus transitional arrangements.

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

Our understanding of the costs incurred by other industry parties is as follows:

0602 – Would involve Shippers making changes to their systems and/or processes to accommodate an altered objection window and incurring associated costs.

0602A – Is the simplest to implement and would not require Shippers to make system changes.

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

Yes.

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.

During Workgroup discussions parties requested a minimum one day objection window, however Xoserve confirmed that, due to the processing timeframes and inability of Users to schedule an overnight batch run, the objection window would in reality be <12 hours¹. Therefore we do not believe 0602 offers sufficient time for objections to be raised.

¹ <http://www.gasgovernance.co.uk/sites/default/files/Minutes%200602%20221216%20v1.0.pdf>

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.*

As above, Xoserve have indicated that 0602 would not provide a full one day objection window and is more likely to provide a <12 hour window but this is not expressly stated in the Draft Workgroup Report.

Xoserve provided an update to the January Mod Panel regarding the viability of implementing either proposal – due to the timing of this update this is also absent from the Modification Report.

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

N/A.