

0535:

Implementation of Non Effective Days to enable Annual AQ Review (independent of Nexus transition)

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

The volume of data processed to support the Annual AQ process is significant. Following the implementation of the 'Faster Switching' modification there is insufficient time to ensure that all AQ data is processed and consistently populated across UK Link Systems and to Users. This modification seeks to introduce Non Effective Days in order to facilitate this review.



The Workgroup recommends that this modification should now proceed to consultation.











High Impact:
Transporters, Shipper Users



Medium Impact:
None



Low Impact:
None

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About this document:		 commercial.enquiries@xoserve.com
This report will be presented to the panel on 21 May 2015.		Additional contacts: David Addison
The panel will consider whether the modification should proceed to consultation or be returned to the workgroup for further assessment.		 david.addison@xoserve.com
The Proposer recommends the following timetable:		 0121 623 2752
Initial consideration by Workgroup	26 th March 2015	
Workgroup reviewed Amended Modification	12 th May 2015	
Workgroup Report presented to Panel	21 st May 2015	
Draft Modification Report issued for consultation	22 nd May 2015	
Consultation Close-out for representations	12 th June 2015	
Final Modification Report presented to Panel	15 th June 2015	
UNC Modification Panel decision	18 th June 2015	

1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is not a self-governance modification because it is likely to have material effect on gas consumers; competition, the operation of pipe-line systems, safety or security of supply, the uniform network code governance procedures or the network code modification procedures.

The Workgroup agreed with the Modification Panel view that self-governance is not suitable as this modification may have a material impact on existing and new gas consumers and competition. This is due to the implementation on the Non Effective days extending the transfer period of time for Shipper User registration.

Why Change?

UNC Modification 0477 – ‘Supply Point Register – Facilitation of Faster Switching’ – reduced the timescales of the change of shipper process. Additional time, than is afforded by this, is required to process the significant volumes of data necessary to manage the Annual AQ review.

Solution

This modification proposes that two Non Effective Days are introduced for 29th and 30th September 2015.

Relevant Objectives

It is proposed that this will have a positive effect on the efficient discharge of the licensee’s obligations avoiding significant performance changes to central systems and ensuring that industry data is propagated to the relevant Transporter and User systems.

Implementation

No implementation timescales are proposed. However, this modification could be implemented upon direction and it would be desirable if this Modification were implemented by 02 July 2015 to add certainty to the process.

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

Whilst this date is co-incident with the period around the Project Nexus Implementation Date, this is not required as a result of Project Nexus.

2 Why Change?

UNC Modification 0477 – ‘Supply Point Register – Facilitation of Faster Switching’ – reduced the timescales of the change of shipper process. This was achieved by reducing the period between the Objection Deadline and the Supply Point Registration Date (commonly referred to as the confirmation period) to 2 business days from the previous seven business days prior to the modification.

These 2 days allow Users and Transporters a period where the change of shipper event is confirmed – i.e. it cannot be stopped – and therefore undertake activities in preparation for the Supply Point Registration Date.

In normal operation this period allows that the data can be collated from the Supply Point Administration element of UK Link Systems and provided to Gemini to ensure that the demand attribution can run effectively. In normal operation – i.e. outside of the period of constrained UK Link processing due to AQ – this data is provided from SPA to Gemini at D-2 (D being the Supply Point Registration Date). Gemini

needs to use this data on D-1 for demand publishing for NDM Supply Points. Data is viewable to Users at D-1.

During the AQ review process a significant proportion of the Supply Meter Points shall have data to update. This process takes an additional two working days to collate, validate and propagate the data between the two elements of the UK Link system.

Prior to UNC Modification 0477 this process could be initiated at D-7 being the previous point of the change of shipper event being confirmed. Files were created and validated in this period. As such this additional processing was not visible to Users. Given that this period has reduced to two days there is insufficient time to process and validate the information and present it to Gemini in the required manner.

Every five years the Winter Annual Load Profiles are calculated leading to additional data to be uploaded into SPA and to be reflected in Gemini demand attribution. This additional data adds complexity and further scale to the information being taken into Sites and Meters that needs to be provided to Gemini.

In order to provide sufficient time to process the large volumes of data it is proposed that two Non Effective days are added of 29th and 30th September.

The effect of the Non Effective days will primarily bring forward the Objection Deadline to Thursday 24th September for change of shipper events where the Supply Point Registration Date is within the critical processing period and the User has submitted the confirmation with the minimum timescales.

This solution enables the Transporter Agency to generate the relevant flows and validate them.

This solution does not impact the minimum switching timescales as this – following Faster Switching – is based upon a minimum number of calendar days having expired. For confirmations that are in progress, with the minimum timescales, it does reduce the objection period for the impacted confirmations.

By setting these dates as Non Effective this will mean that files will not be processed during this time.

The impact of not making this change will mean that the Gemini will not be able to publish robust Demand figures for NDM sites therefore this would pose significant risks to Energy Balancing processes and consequently individual User positions.

This modification is distinct from UNC modifications dealing with Non Effective days for Project Nexus Implementation Date.

In the event that the non-effective days defined in the Project Nexus Modification 0532 are coincidental with the Non Effective days required as part of this modification, Modification 0532 shall take precedence.

3 Solution

In order to provide sufficient time to process the large volumes of data, two Non Effective days are required. This modification proposes that two Non Effective Days are introduced for 29th and 30th September 2015.

It is proposed that the Non Effective days would apply to processes in UNC section G and M. The following processes and communications would be impacted as a result of the Non Effective days:

- 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
- NDM Meter Readings
- RGMA Transactions

Supply Point Confirmations can become effective on these Non Effective days.

These Non Effective days shall not constitute Supply Point System Business Days for the purposes of the above processes.

Relief from DM Liabilities is not required.

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

4 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;	Positive

(ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	
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 will further relevant objective f), Promotion of efficiency in the implementation and administration of the Code, by allowing the Transporter Agency sufficient time to validate and propagate information within UK Link Systems and to Users within the required timescales. The solution proposed eliminates significant changes to central systems that would have otherwise been required to support Modification 0477 – i.e. to enable the confirmation period and provision of data to Gemini on the same day. Such performance changes from the previous five day window (from D-7, the previous objection deadline, to D-2 when the data is passed to Gemini) to same day processing would have required considerable time to conduct analysis and after implementation may not have delivered the necessary enhancements. This might have only been identified once significant investment had been expended.

It also furthers Relevant Objective d), facilitation of effective competition between shippers, since it prevents the situation where otherwise NDM energy will not be apportioned between shippers correctly, leading to inaccurate buying signals for shippers.

5 Impacts

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

This modification requires that transitional text be inserted for Confirmations with an effective date around 1st October 2015. Whilst this date is co-incident with the Project Nexus Implementation Date, this is not required as a result of Project Nexus.

No implementation timescales are proposed. However, this modification could be implemented upon direction and it would be desirable if this modification were implemented by 02 July 2015 to add certainty to the process.

6 Legal Text

The workgroup reviewed the provided Text and confirmed that it met the requirements of the modification, however some participants believed that the definition of the services impacted could be more usefully defined, for instance as per the Solution.

Text Commentary

None has been provided.

Text

The Transition Document Part II C shall be amended by removing the existing paragraph 3 and replacing it with the following new paragraph 3:

3. implementation of non-effective days to enable annual AQ review

3.1 In order to enable the annual AQ review, the provisions of the Code shall be modified as follows:

- a) Subject to paragraph (b) below, 29 and 30 September 2015 shall be deemed not to be Supply Point System Business Days for the purposes of TPD Section G and TPD Section M;
- b) paragraph (a) above shall not apply for the purposes of TPD M 4 and M 5.1.3.

7 Recommendation

The Workgroup invites the Panel to:

- AGREE that this modification should be submitted for consultation.