












# 0580S:

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

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The volume of data processed to support the Annual AQ process is significant. 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 Proposer recommends that this modification should be: <ul style="list-style-type: none"> <li><del>Assessed by Workgroup</del> issued to consultation</li> </ul>
	High Impact: Transporters, Shipper Users, Suppliers
	Medium Impact: None
	Low Impact: None

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<b>About this document:</b>		 <a href="mailto:commercial.enquiries@xoserve.com">commercial.enquiries@xoserve.com</a>
This modification <del>will be</del> <u>was</u> presented by the proposer to the panel on 21 April 2016.		Additional contacts: <b>David Addison</b>
The panel <del>will consider</del> <u>ed</u> the proposer's recommendation and agreed <del>whether</del> this modification should be referred to a workgroup for assessment.		 <a href="mailto:David.Addison@xoserve.com">David.Addison@xoserve.com</a>
The Proposer recommends the following timetable:		
Initial consideration by Workgroup	<b>28 April 2016</b>	
Workgroup Report presented to Panel	<b>19 May 2016</b>	
Draft Modification Report issued for consultation	<b>19 May 2016</b>	
Consultation Close-out for representations	<b>10 June 2016</b>	
Final Modification Report published for Panel	<b>13 June 2016</b>	
UNC Modification Panel decision	<b>16 June 2016</b>	

# 1 Summary

## Is this a Self-Governance Modification?

Self Governance procedures are not proposed as, while it should be noted that this modification does not extend the transfer of registration process, the workgroup considered that the non-effective dates are of material impact to Shippers and Suppliers when arranging customer registrations.

proposed since this modification only repeats the Ofgem approved effects of UNC Modification 0535 (which applied to AQ15). The non-effective days required for AQ16 do not present a material impact on consumers because the transfer of registration process is not extended.

## Is this a Fast Track Self-Governance Modification?

No, because this is not a housekeeping change.

## Why Change?

Without this modification the prescribed timescales in the UNC do not allow enough time to process the significant volumes of data necessary to manage the Annual AQ review. SGN are raising this modification on behalf of industry parties in order to enable efficient management of the Annual AQ review activities.

## Solution

This modification proposes that seven[four] Non Effective Days are introduced between [27<sup>th</sup>-24<sup>th</sup> and 30<sup>th</sup>] September 2016.

## 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 as soon as possible by 01 July 2016 to add certainty to the process.

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

This modification does not impact a Significant Code Review.

The modification does have a linkage to Nexus implementation and associated UNC modification 0432 "Implementation of Non Effective Days (Project Nexus Transitional modification)", in that the seven non-effective days proposed will occur concurrently. This modification is not dependent upon modification 0432 as the non-effective days under this modification 0580 are required irrespective of those under 0432. There is no linkage or dependency on the Nexus implementation. The non-effective days described in this proposal are concurrent to those described in Modification 0532 "Implementation of Non Effective Days (Project Nexus Transitional modification)", i.e. they are not additional.

# 2 Why Change?

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The timescale between the Objection Deadline and the Supply Point Registration Date (commonly referred to as the confirmation period) is 2 business days. These 2 days allow a period where the change of shipper event is confirmed – i.e. it cannot be stopped – and therefore industry participants can undertake activities in preparation for the Supply Point Registration Date.

In normal operation this period is sufficient 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 and that this data is viewable to Users at D-1.

During the AQ review process a significant proportion of the Supply Meter Points have Aqs recalculated resulting in significant data updates. This requires additional time to collate, validate and propagate the data between the two elements of the UK Link system. Consistent with the AQ Review Process in 2015 (UNC Modification 0535 refers), it is proposed that Non Effective days are added in order to provide sufficient time to process the large volumes of data.

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.

### 3 Solution

In order to provide sufficient time to process the large volumes of data, ~~seven~~~~four~~ Non Effective days are required. This modification proposes that ~~seven~~~~four~~ Non Effective Days are introduced between ~~{27<sup>th</sup> 24<sup>th</sup> – 30<sup>th</sup>}~~ September 2016. Following industry discussion, it has been agreed that seven Non Effective Days are required as this reflects the arrangements under Modification 0432 “Implementation of Non Effective Days (Project Nexus Transitional modification)”, and therefore provides Shipper Users with increased certainty when engaging with customers and arranging contract commencement dates. It has been agreed that a stable position of seven Non Effective Days would minimize the risks of any issues being encountered during registration activities, thus ensuring that the customer experience is maintained positively.

The effect of the Non Effective days will primarily bring forward the Objection Deadline to ~~{Friday 23<sup>rd</sup> Wednesday 21<sup>st</sup>}~~ September 2016 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.

It is proposed that the Non Effective days would apply to the following 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 Enquiry
- 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
- Meter Information Notifications and Meter Information Update Notifications
- Revisions to AQ – ‘New Business’ Large Supply Point Appeals

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.

Liability relief related to the processes described above being subject to the Non Effective Days – i.e. Supply Point Offers, Supply Point Nominations (specifically Referrals) and updates to the Supply Point Register where the Meter Installation Works is completed by the Transporter.

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 <ul style="list-style-type: none"> <li>(i) the combined pipe-line system, and/ or</li> <li>(ii) the pipe-line system of one or more other relevant gas transporters.</li> </ul>	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.	<del>None</del> Positive
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. It will allow 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 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 Implementation

No implementation timescales are proposed. However, this modification could be implemented upon direction and it would be desirable if this modification were implemented ~~as soon as possible by 01 July 2016~~ to add certainty to the process.

## 6 Impacts

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

This modification does not impact a Significant Code Review.

The modification does have a linkage to Nexus implementation and associated UNC modification 0432 “Implementation of Non Effective Days (Project Nexus Transitional modification)”, in that the seven non-effective days proposed will occur concurrently. This modification is not dependent upon modification

~~0432 as the non-effective days under this modification 0580 are required irrespective of those under 0432. There is no linkage or dependency on the Nexus implementation. The non-effective days described in this proposal are concurrent to those described in Modification 0532 “Implementation of Non-Effective Days (Project Nexus Transitional modification)”, i.e. they are not additional.~~

## 7 Legal Text

### Text Commentary

The legal text for this modification seeks to suspend relevant sections of code to enable the Annual AQ review to take place on the ~~24<sup>th</sup>, 25<sup>th</sup>, 26<sup>th</sup>~~ {27<sup>th</sup>, 28<sup>th</sup>, 29<sup>th</sup> and 30<sup>th</sup>} September 2016.

### 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 ~~24<sup>th</sup>, 25<sup>th</sup>, 26<sup>th</sup>~~ {27<sup>th</sup>, 28<sup>th</sup>, 29<sup>th</sup> and 30<sup>th</sup>} September 2016 shall be deemed not to be Supply Point System Business Days for the purposes of:
- a. paragraph 1.6.11 of TPD Section G;
  - b. paragraph 1.8.4 of TPD Section G;
  - c. paragraph 1.17.8 of TPD Section G;
  - d. paragraph 2.3.4 of TPD Section G;
  - e. paragraph 2.4.6 of TPD Section G;
  - f. paragraph 2.5.8 of TPD Section G;
  - g. paragraph 2.5.11 of TPD Section G;
  - h. paragraph 2.6.3 of TPD Section G;
  - i. paragraph 2.7.5 of TPD Section G;
  - j. paragraph 2.8.1 of TPD Section G;
  - k. paragraph 2.8.3 of TPD Section G;
  - l. paragraph 2.8.5 of TPD Section G;
  - m. paragraph 3.1.5 of TPD Section G;
  - n. paragraph 3.2.4 of TPD Section G;
  - o. paragraph 3.3.1 of TPD Section G;
  - p. paragraph 3.3.2 of TPD Section G;
  - q. paragraph 3.5 of TPD Section G;
  - r. paragraph 4.1 of TPD Section G;
  - s. paragraph 5.1.5 of TPD Section G;
  - t. paragraph 5.1.6 of TPD Section G;
  - u. paragraph 5.1.10 of TPD Section G;

- v. paragraph 5.6.5 of TPD Section G;
- w. paragraph 3.2.3 of TPD Section M;
- x. paragraph 3.2.6 of TPD Section M;
- y. paragraph 3.2.7 of TPD Section M;
- z. paragraph 3.2.9 of TPD Section M;
- aa. paragraph 3.2.11 of TPD Section M;
- bb. paragraph 3.2.15 of TPD Section M;
- cc. paragraph 3.2.16 of TPD Section M;
- dd. paragraph 3.3.4 of TPD Section M;
- ee. paragraph 3.3.7 of TPD Section M;
- ff. paragraph 3.8.2 of TPD Section M;
- gg. paragraph 3.8.3 of TPD Section M;
- hh. paragraph 3.8.4 of TPD Section M; and
- ii. paragraph 3.8.5 of TPD Section M

## 8 Recommendation

The Proposer invites the Panel to:

- ~~Refer to Workgroup for Assessment.~~ Refer the modification to consultation.