

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:	Maitrayee Bhowmick-Jewkes
Organisation:	npower
Date of Representation:	02/02/2017
Support or oppose implementation?	Support/Oppose/Qualified Support/Comments* <i>delete as appropriate</i> 0602 - Oppose 0602A - Support
Alternate preference:	<i>If either 0602 or 0602A were to be implemented, which would be your preference?</i> 602A
Relevant Objective:	d) Positive f) Positive

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

We believe that both modifications UNC 0602 and 0602A would deliver the required Non Effective Days and Variant Non Business Days for the successful implementation of Project Nexus on 1st June 2017. However, we feel that there are significant advantages to customers and the successful delivery of the Nexus programme associated with the npower modification of UNC 0602A. Therefore we support the implementation of 602A and oppose 602.

UNC 0602A has the following advantages:

- UNC 0602A introduces a minimum of two days to object, rather than the one day associated with UNC 0602.
- By increasing the objection window to a minimum of two days we feel that this would help to reduce erroneous transfers over the cut-over period. Ofgem recently presented that across the industry, circa 0.8% of all sales are normally

successfully objected to as a result of customer requests. Only allowing one day to object is likely to increase the risk of a significant number of these objections becoming erroneous transfers.

- This modification will enable shippers that wish to shut their systems down in an orderly manner at the weekend, in line with normal best practice release management processes, and has least risk of impacting customers. Any shippers choosing this option would be able to run automated objection processes prior to their cut-over weekend and would still be able to manually object on the 22nd May to support any customer requested objections.

At the workgroup meeting on 5th January, Xoserve indicated:

- That a minimum two day objection day window, reduces the risk of their cut-over as they will not need to make code changes to legacy systems to support the change.
- Where shippers choose to cut-over at the weekend, this will reduce traffic on the final day of legacy UK Link and help to reduce the risk of final batches over-running .
- There would be no impact on Variant Non Business Days of shippers choosing to cutover at the weekend

Although 0602 has the consequence of increasing the switching timescales to 22 days for 3 additional days, we believe the wider benefits to customers of reduced erroneous transfers and the reduced risk to implementation for shippers, suppliers and their customers as well as Xoserve, makes UNC 0602A the better solution.

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

This modification does not follow the self-governance rules as we believe it to have a material impact on switching process affecting consumers.

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

We would like to see this modification implemented by 1st April 2017 or earlier, noting that the UNC is planning to implement no later than the 1st March if possible, to add certainty for all market participants.

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

This Modification Proposal impacts the industry programme for replacement of UK Link systems and is essential to the success of the UK Link Replacement Programme.

We would not incur further costs should this modification be implemented.

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.

We believe that a one day window to object as proposed in Modification 0602 is an insufficient timeframe given the number of switching transactions during this period. Suppliers need time to process these switches & review for potential objections, then raise them. A one day objection window increases the risk of erroneous transfers and potentially leaves suppliers in a debt position that may not be recoverable, neither of which is in the best interests of suppliers and their customers. Modification 0602A proposes to increase the timeframe to two days which, while still falling short of the current objection window, is acceptable for the interim period and reduces the likelihood of these risks becoming issues.

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.*

No

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

NA