

Stage 04: Final Modification Report

iGT072:

iGT Single Service Provision, non-effective Days for cutover

At what stage is this document in the process?

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

This modification creates six non-effective to enable data preparation and cutover to the arrangements created by iGT039 - Use of a single Gas Transporter agency for the common services and systems and processes required by the iGT UNC



Panel recommended implementation



High Impact:
iGT, Shippers



Medium Impact:



Low Impact:

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About this document:

This document is a Final Modification Report, presented to the Panel 17th June 2015.

The Authority will consider the Panel's recommendation and decide whether or not this change should be made.



Any questions?

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1. Plain English Summary

This section should mirror the current wording within the DMR.

Is this a Self-Governance Modification?

Panel determined that this is not a self-governance Modification.

If so, will this be progressed as a Fast Track Modification?

No.

Rationale for Change

To cutover to the iGT agency services model created by iGT039 - Use of a single Gas Transporter agency for the common services and systems and processes required by the iGT UNC, a period of time is required to prepare and migrate data. This requires a number of non-effective days during which files to update and maintain the Supply Point Register and for supply point administration activities cannot be submitted.

Solution

The solution is to create six days as Non-Effective Days (see definition later) as days on which certain transactions may not be made

Relevant Objectives

It is believed that the modification will facilitate Objective c) "Efficient discharge of the licensee's obligations" on the basis that iGTs have a licence obligation to have Agency services in place on October 1st (or an amended date as otherwise directed) and that the modification is deemed necessary to successfully implement such arrangements.

Implementation

This modification can be implemented immediately following Ofgem approval.

2. Rationale for Change?

To cut over to the iGT agency services model created by iGT039 – “Use of a single Gas Transporter agency for the common services and systems and processes required by the iGT UNC”, a period of time is required to prepare and migrate data to the new Agency system. This requires a number of non-effective days during which files to update and maintain the Supply Point Register and for supply point administration activities cannot be submitted.

Workgroup discussions challenged whether there were any other viable options. The Agency confirmed that to maintain data accuracy, a non-effective period would be required to avoid inflight registrations taking place in their respective systems. As such the cut over into the new systems needed to occur at a single point in time with a period of non-effective days set out to allow for the data to be finally prepared and migrated. The Agency therefore is of the view that the approach outlined in this modification is the only viable approach to enable a successful transition to Agency services. Shippers raised concerns that the non-effective period in some instances will impact the 21 day switching requirement under “faster switching”. Though Ofgem acknowledged this issue, Shippers have requested formal confirmation from Ofgem that they will not be subject to any penalties as a result of the non-effective period. It has been requested that such confirmation is provided by the end of the modification consultation period.

Modification 039 and 0440 are implemented on 1st October 2015 and should this date change, a separate modification will be raised to facilitate this. From this point onwards Shippers will be transact through Xoserve for supply point register and supply point administration activities.

3. Solution

Though greater detail has been developed for the modification proposal, the final solution remains unchanged to that in the original proposal – to have a period of six days termed Non-Effective Days on which certain communications may not be made, leading up to the implementation date for Project Nexus. A full list of impacted areas has been developed and reviewed by the work group and can be found below using the defined terms from the IGT UNC:

Agreed Opening Meter Reading;
C&D Information;
C&D Notification;
Capacity Revision Application;
Daily Meter Readings;
Emergency Contacts
Meter Fix Reading;
Meter Fit Report;
Meter Information Notification;
Meter Information Update Notification;
Meter Read;
Opening Meter Reading;
Proposing User's Estimate;
Proposing User Read;
Revised Meter Reading.
Supply Point Confirmation;

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Supply Point Confirmation Cancellation;
Supply Point First Nomination;
Supply Point Nomination;
Supply Point Objection;
Supply Point Offer;
Supply Point Reconfirmation;
Supply Point Registration;
Supply Point Registration Date;
Supply Point Registration Number;
Supply Point Renomination;
Supply Point Second Nomination;
Supply Point Withdrawal.

Work group members have agreed that any communications listed above must be sent to the Pipeline Operator before 17:00 hours on PNID-7 and all Pipeline Operator responses to communications received on PNID-7 or PNID-8 must be responded to by no later than PNID-6.

To aid with the migration of data, IGTs have agreed to provide Shippers with a one off portfolio extract at the beginning of the non-effective period to allow Shippers to cross reference the data held within their systems to that held by both IGTs and the Agency.

It was raised during the work groups that parties will need to be aware of the status of each transaction at the beginning of the Non-Effective period. Parties acknowledged that this isn't in scope of the proposal but a solution will be developed under the Shipper work stream meetings and a modification raised to facilitate.

As this modification is effectively a transition modification to facilitate Agency services, the group agreed that the legal text will be implemented following Ofgem approval in order that the requirements are in place as soon as possible. The iGT072 legal text will then be overwritten by that of iGT039 on October 1st 2015 (or agreed date if subsequently directed) which will coincide with the implementation of Agency services.

A full list of questions which were raised during the work group with accompanying answers can be found [here](#).

A timeline of events for the Non-Effective Period and how the various events fit around this period can be found [here](#). This has been reviewed and developed by the work group.

A separate report accompanying IGT072 providing additional detail can be found [here](#).

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. | Positive |
| 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. | None |
| 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. | None |
| 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. | (Potentially) Negative |

The Workgroup considers that this Modification would facilitate:

Objective c)

The work group agrees that this proposal would better facilitate objective c) "Efficient discharge of the licensee's obligations" on the basis that iGTs have a licence obligation to have Agency services in place on October 1st (subject to change of date) and that the modification is deemed necessary to successfully implement such arrangements.

The group noted Shippers' concerns that Objective g) may be negatively impacted on the basis that Shipper parties may not be able to facilitate faster switching in a number of cases.

5. Impacts and Costs

It is anticipated that both Shippers and iGTs will incur costs as a result of this proposal by having to restrain their respective systems from sending communications during the non-effective period. It was agreed that it would be very difficult to identify costs specific to iGT072 as these would be incorporated within the general SSP systems changes under iGT039. Costs to implement iGT039 can be found within the [IGT039 work group report](#).

6. Likely Impact on Consumers

For clarity, Shipper confirmations will take effect on days included in the non-effective period. Shippers have raised concerns however that the non-effective period in some instances will impact the 21 day switching requirement under “faster switching”. Shippers have requested confirmation from Ofgem that they will not be subject to any penalties as a result of the non-effective period which may put them in breach of the faster switching requirements. It has been requested that such confirmation is provided by the end of the modification consultation period.

7. Likely Impact on Environment

None identified.

8. Implementation

As this modification is effectively a transition modification to facilitate Agency services, the group agreed that the legal text will be implemented following Ofgem approval in order that the requirements are in place as soon as possible. The IGT072 legal text will then be overwritten by that of iGT039 on October 1st 2015 (subject to change of directed date of implementation) which will coincide with the implementation of Agency services.

9. Legal Text

The work group have reviewed and developed the legal with the final version being as follows:

Sub section introductory text:

The following provisions of Part [CI] are subject to the Non-Effective Day requirements as set out in Part N.

- To be included at beginning of CI, CII, CIV, CV, D, E, I.

Part N

1.1. In order to enable changes to be performed in respect of iGT Agency Services as set out in IGT039 Use of a Single Gas Transporter Agency for the common services and systems and processes required by the IGT UNC (directed by the Authority on the 11/03/2015) and UNC modification UNC0440 Project Nexus – iGT Single Service Provision (directed by the Authority on the 14th January 2015) ,

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there will be a period of Non-Effective Days during which no updates to the Supply Point Register can be made by the Pipeline Operator. The requirements for Non-Effective Days are set out in the [IGT072 supporting report](#).

- 1.2. For the purposes of paragraph 1.1 a **“Non-Effective Day”** shall be any of the following Days, PNID-6 up to and including PNID-1.
- 1.3. For the avoidance of doubt, a Proposed Supply Point Registration Date may be a Non-Effective Day.
- 1.4. Subject to paragraph 1.6 any communication as set out under paragraph 1.7 may not be submitted on any Non-Effective Day.
- 1.5. Any of the communications listed in paragraph 1.7 which are sent by a Pipeline User to a Pipeline Operator on PNID-7 must be received by the Pipeline Operator before 17:00 hours on PNID-7.
- 1.6. Where the Pipeline Operator receives any communications as set out in paragraph 1.7 on either PNID-7 or PNID-8, it must send any communications to a Pipeline User as required under the Code at the latest on PNID-6.
- 1.7. For the purposes of this Part N, the communications which cannot be sent on a Non-Effective Day are as follows:
 - 1.7.1. Agreed Opening Meter Reading;
 - 1.7.2. C&D Information;
 - 1.7.3. C&D Notification;
 - 1.7.4. Capacity Revision Application;
 - 1.7.5. Daily Meter Readings;
 - 1.7.6. Emergency Contacts
 - 1.7.7. Meter Fix Reading;
 - 1.7.8. Meter Fit Report;
 - 1.7.9. Meter Information Notification;
 - 1.7.10. Meter Information Update Notification;
 - 1.7.11. Meter Read;
 - 1.7.12. Opening Meter Reading;
 - 1.7.13. Proposing User's Estimate;
 - 1.7.14. Proposing User Read;
 - 1.7.15. Revised Meter Reading.
 - 1.7.16. Supply Point Confirmation;
 - 1.7.17. Supply Point Confirmation Cancellation;
 - 1.7.18. Supply Point First Nomination;
 - 1.7.19. Supply Point Nomination;
 - 1.7.20. Supply Point Objection;
 - 1.7.21. Supply Point Offer;
 - 1.7.22. Supply Point Reconfirmation;
 - 1.7.23. Supply Point Registration;
 - 1.7.24. Supply Point Registration Date;
 - 1.7.25. Supply Point Registration Number;
 - 1.7.26. Supply Point Renomination;
 - 1.7.27. Supply Point Second Nomination;
 - 1.7.28. Supply Point Withdrawal.
- 1.8 For the purposes of paragraph 1.7, a Bulk Confirmation can be sent on a Non-Effective Day.
- 1.9 To facilitate the provisions of this Part N, the Pipeline Operator shall provide a Portfolio Extract to each Pipeline User by 17:00 on PNID-5 with details of Supply Meter Points processed on PNID-6. The Portfolio Extract shall be issued in either comma separated value or Microsoft Excel spreadsheet format.

Definitions

CI 5.6

In this Parts C and Parts D and E any reference to a “Supply Point Systems Business Day” is a reference to a Day other than a **Non-Effective Day** or a Saturday, Sunday or a bank holiday in England or Wales.

New Definitions in Part M:

“Project Nexus Implementation Date (‘PNID’)” is 1 October 2015 or such other date as may be determined by the Uniform Network Code Committee;

“Non-Effective Day” shall have the meaning in Part N1.2;

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10. Consultation Responses

Representations were received from the following parties:

| Company / Organisation Name | Support Implementation or Not? |
|-----------------------------|--------------------------------|
| British Gas | Supports |
| Brookfield Utilities | Supports |
| Npower | Supports |
| SSE Supply | Supports |
| EDF Energy | Qualified Support |
| E.ON UK | Qualified Support |

Summary of Comments

Self-Governance

All respondents agreed that the Modification does not meet the criteria for Self-Governance.

Relevant Objectives

All respondents agreed that the Modification better facilitates Relevant Objective (c) “Efficient discharge of the licensee's obligations”.

Three respondents agreed that the Modification negatively impacts Relevant Objective (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”, due to potentially difficulties for suppliers meeting their faster switching obligations.

One respondent considered that the Modification also negatively impacts Relevant Objective (d) “Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers...”, also due to the impact on the change of supply process.

Impacts and Costs

All respondents agreed that, whilst system costs would be incurred for implementing the change, costs were embedded into the wider costs for the implementation of Single Service Provision and could not be delineated.

Legal Text

All but one respondent considered that the legal text fully achieved the requirements of the solution.

One respondent considered that further work was required to understand and clarify requirements around Connection and Disconnection information/notifications, and issuing bulk confirmations. The Code Administrator notes that further work is being carried out through the Modification Workstream meetings to further develop the

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process for Bulk Confirmations, which the Workgroup considered to be outside the scope of iGT072.

Implementation

Three respondents noted that the change should be implemented as soon as possible following Authority approval to provide parties with a clear reference point. One party noted that changes implemented in iGT072 would be overwritten by the changes to be implemented in iGT039.

Three respondents noted that the change should be implemented in line with the implementation of Single Service Provision; the Code Administrator considers that implementation of iGT072 must precede Single Service Provision due to the nature of the change.

One respondent presumed that implementation would be dependent on the outcome of UNC0537 – “Change of Project Nexus Implementation Date to 1st April 2016”.

Further Comments

Several respondents highlighted a concern raised through the Workgroup that implementation of iGT072 may impact on the ability of the supplier to comply with 21-day switching obligations. At least one respondent further considered potential conflicts with consumers’ rights to a cooling-off period (Right of Withdrawal), and obligations for suppliers to prevent erroneous transfers. Further detail is provided in individual responses. Most respondents considered their support for the Modification provided that Ofgem indicated their support for the Modification prior to implementation, and provided assurances that punitive measures would not be placed on suppliers for failing to meet their obligations during the period. One supplier requested that written confirmation be sought from Ofgem to that end.

One respondent noted their disappointment that there was no viable systems solution allowing a transition to Single Service Provision without a non-effective period. However, the respondent notes the necessity of the window.

11. Panel Discussions

This section should contain a summary of the discussions held at the Panel meeting at which the FMR was raised.

The Panel on 17th June 2015 met and considered the responses raised in the consultation period for iGT072.

The Panel also considered a variation to the Modification Proposal raised by the Proposer, which aligned the Mod with the views of the Workgroup by removing the dependence on 1st October 2015 as the date of implementation for Project Nexus. The Panel noted that the legal text already took this into account, and indeed much of the Final Modification Report had evolved away from the tie in to 1st October 2015. However, the Panel agreed that the changes to the Modification Proposal were appropriate, and non-material in nature, therefore requiring no further consultation.

The Panel considered that the Proposer’s views around Relevant Objectives facilitated were accurate and valid. The Panel raised no further issues.

The Panel unanimously recommended that the Modification should be implemented in the first scheduled release following Authority decision, and in any event must precede the go-live date for Project Nexus.

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12. Recommendation

Having considered the Modification Report for iGT072, the Panel recommends:

- that proposed Modification iGT072 should be made; or

The Panel recommends an implementation date of the first scheduled release following Authority Decision (or in the event that the go-live date for Project Nexus is 1st October 2015, in an extraordinary release to be scheduled for September 2015).