

Network Asset Transfers – Lessons Learned

Background

In December 2019 ES Pipelines Ltd (ESP) and Fulcrum Pipelines Ltd (FPL) entered into a legal contract for ESP to acquire circa 33,000 gas transportation assets from Fulcrum. The assets transferred on 1st May 2020. The measures to effect the changes in industry systems to reflect the transfer in ownership were developed jointly by ESP and FPL with input and support from Xoserve and Gemserv with the overarching aim of managing the transition as smoothly as possible with least disruption to stakeholder and customers.

As with all such projects there are some areas in which things went well and others where lessons have been learned. This paper provides a summary of the activities undertaken and identifies opportunities for improvement in any future transactions.

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<u>ID</u>	<u>Category</u>	<u>Description</u>	<u>Impacted Parties</u>	<u>Recommendation</u>
1	Communications	Joint Communications from ESP & FPL were issued on multiple occasions to regulatory contacts held by both parties. In an attempt to spread the net wider and ensure no out of date email addresses had been included, the later Comms were also issued via the Gemserv contact list. Regular communication following the initial announcement were welcomed by parties, but there were some out of date email addresses included in the initial Comms, and a risk that parties were not fully informed.	Shippers	Ensure that Code Administrator contact lists are utilised from the outset. Require parties to provide positive confirmation of having received the communication.
2	Process	An industry agreed but rarely used file type (STN) is utilised by Xoserve to notify parties of asset transfers. Some parties were not aware of what these files represented and needed additional guidance to process.	Shippers	Set out a timeline of activities and the expectations of / obligations on each party for each stage of the transition
3	Notifications	The process to transfer MPRs to new Transporter ownership had to be carried out in batches as there is a system batch size limitation. Following this batch process meant that some transferring MPRs would potentially be included in the STN file for the wrong Shipper on the transfer date. This issue was identified and a manual work around was introduced to ensure notification to the correct Shipper was provided on the transfer date.	Xoserve	A Change Request has been raised at Xoserve to allow larger volumes of uploads to be processed.
4	Communications	It is not always clear if metering is to be transferred as part of an asset sale, and this can lead to confusion for parties.	Shippers	Clearly identify the full list of transferring meters along with the MPR portfolio for each Shipper