





Workgroup Report	At what stage is this document in the process?
<h2>iGT102:</h2> <h3>Enduring solution for provisions that allow Contingency Invoicing in the event of System Failure by the CDSP.</h3>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> 01 Modification </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> 02 Workgroup Report </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> 03 Draft Modification Report </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification:</p> <p>The intent of the modification is to introduce a new Contingency Invoicing process that will replace the provisions that were written into the IGT-UNC under IGT097. The IGT097 provisions allowed the Pipeline Operator the ability to create and issue consecutive estimated invoices in the event of any CDSP related prolonged System Failure, or multiple periods of CDSP related System Failure that affect consecutive Billing Periods. The provisions introduced in IGT097 were time bound, and expire in February 2018. It is the intent of this modification to replace these provisions with a robust Contingency Invoicing process that allows for invoicing to remain accurate with the ability to reconcile post-invoice.</p>	
	<p>The Workgroup recommends that this modification should:</p> <ul style="list-style-type: none"> be subject to self-governance procedures proceed to Consultation be implemented <p>The Panel will consider this Workgroup Report on 15 November 2017. The Panel will consider the recommendations and determine the appropriate next steps.</p>
	<p>High Impact: Transporters</p>
	<p>Medium Impact: None</p>
	<p>Low Impact: Shippers</p>

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Timetable	
Modification timetable:	
Initial consideration by Workgroup	05 September 2017
Amended Modification considered by Workgroup	03 October 2017
Amended Modification considered by Workgroup	07 November 2017
Workgroup Report presented to Panel	15 November 2017
Draft Modification Report issued for consultation	15 November 2017
Consultation Close-out for representations	06 December 2017
Variation Request presented to Panel	dd month year
Final Modification Report available for Panel	13 December 2017
Modification Panel decision	20 December 2017

 Any questions?

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Work Group Comments

The Workgroup reviewed the suggested timetable for the progression of this modification, and agreed to recommend it to the Panel.

1 Summary

What

The Pipeline Operator (“PO”) provides the Pipeline User (“User”) with invoices that are paid in arrears. In accordance with the provisions under IGT097, and in the event of any System Failure, the PO can submit an estimated invoice to the User. If the System Failure extends across more than one Billing Period, or if there are multiple System Failures that affect consecutive Billing Periods then the PO can submit consecutive estimated invoices without the User’s permission (as per IGT097). These provisions were implemented as pre-IGT097, the User was under no obligation to accept, or pay the subsequent estimated invoice, which when considered in a post NEXUS and Funding, Governance and Ownership (“FGO”) environment may present cash flow risks for the PO. Furthermore, System Failure can occur in the instance that the Pipeline Operator is unable to “generate information for communication” which can extend to data used for billing purposes that is to be sent by the CDSP to the PO. Noting the following is not an exhaustive list, such instances that could occur resulting in a System Failure as outlined above include blank and/or incorrect data records within delta files for existing supply points and new supply points not appearing on the central system. Therefore, the intent of this change proposal is to implement an enduring solution to the issues originally outlined in the IGT097 modification proposal, and to extend the scope of System Failure to include potential instances of markedly incorrect data received by the PO from the CDSP.

Through the change development process and feedback received from stakeholders, it has been decided that the change should move away from ‘estimated’ invoicing. This is because Invoice Documents would not be ‘estimated’ but based on actual data from previous Billing Periods. It is therefore proposed that the term ‘Contingency Invoice’ should be included as a defined term, to be used in specific situations relating to CDSP failure. This term and the principles that govern the use of ‘Contingency Invoicing’ are expanded on later in the change. Furthermore, for the purposes of implementing a ‘Contingency Invoicing’ process, the business as usual invoicing process will be defined as ‘Actual Invoicing’.

Estimated invoices will still be retained within the code, and can be utilised when the PO experiences any instance of System Failure within its own systems. The User consent clause has reverted back to its pre-097 form, whereby the PO will have to request consent from the User if it wishes to submit consecutive estimated invoices.

The Contingency Invoicing provisions introduced in this modification proposal will only cover instances of CDSP system failure. As drafted in the legal text, the PO cannot use estimated invoicing for CDSP system failure, or use Contingency Invoicing for System Failure within its own computer systems.

Why

Post-February 2018, if there was any form of prolonged System Failure (own system or third party) that spans more than a single Billing Period or multiple separate System Failures that occur in line with consecutive Billing Periods, then the PO will be unable to create and submit estimated invoices for the consecutive Billing Period after the initial estimated invoice was submitted, without the User’s permission. Currently, IGT097 provisions allow for the PO to submit these consecutive estimated invoices, therefore mitigating cash flow risk to the PO.

Under FGO arrangements, both the PO and the User are co-operatively responsible for the systems and processes managed by the Central Data Services Provider (“CDSP”). There is a mutual responsibility between PO and the User to ensure that these systems and processes are resilient to failure. It is the proposer’s belief that when the current IGT097 drafting falls away (post-Feb 2018) the PO will again be at

risk of cash flow issues that the PO would not have been vulnerable to pre-NEXUS, and furthermore would create a situation that does not appear conducive to the co-operative nature of the PO/Users relationship with the CDSP, whereby a PO must request permission to submit estimated invoices for consecutive Billing Periods even if, for example, the failure is within the remit of the User to remedy with the CDSP. The cash flow risk to POs is exacerbated under FGO arrangements whereby POs in the scenario above, would be unable to recover the transportation charges from the CDSP due to the limited liabilities under the Data Services Contract and associated 'not for profit' model.

This modification therefore seeks to develop an enduring solution to the issues identified in IGT097. IGT097 was approved for implementation by Ofgem and subsequently written into the IGT UNC on 1st June 2017. These original provisions were to dampen the effect of any potential occurrences of System Failure, and to mitigate any cash flow risks that may occur in such situations, by removing the requirement on the PO to receive the User's consent for submitting consecutive estimated invoices in the event of System Failure(s) that originate within the CDSP. It should be noted that these provisions could only be invoked where the System Failure originates within the CDSP, not within the PO's system; the proposer believes it would be against the cooperative nature of the new PO/User/CDSP relationship to allow for the modification to be extended to include System Failure within the PO's system. The removal of the User's consent in these narrow circumstances is expected to ensure equitable treatment whereby the situation is avoided that some Users are invoiced based on estimated data and others on potentially incorrect data.

As in IGT097, these changes are intended to be a backstop measure and only used where required. The legal drafting has been created to reflect this as a proportionate safeguard against CDSP Systems Failure(s), and Systems Failure(s) that occur with the PO system are therefore not changed by this modification.

How

This modification seeks to:

- Introduce a new process into code that allows for 'Contingency Invoicing', including new defined terms.
- Retain and amend the definition of System Failure which specifically includes failure of the CDSP system to be able to 'generate and communicate information in whole or in part to the Pipeline Operator in the form and by the method set out in the Data Services Contract'.
- Introduce a number of principles that PO's must adhere to during the Contingency Invoicing process. These principles are set out and explained in the solution section below.
- Amend the RPC Invoice Template to include new Charge Types for the purpose of Contingency Invoicing and Contingency Invoice adjustments.

2 Governance

Justification for Normal Procedures

The modification should be treated as normal status as it does not meet any of the criteria for Urgent, Self-Governance or Fast Track status.

Work Group Comments

The Workgroup were all in agreement that this modification does not meet Self-Governance criteria and this should be referred to the Authority for its final decision. The Workgroup were happy that this modification has been developed adequately and should be recommended to proceed to Consultation.

Requested Next Steps

This modification should:

- Proceed to consultation.

3 Why Change?

With the implementation of Project NEXUS, there is a risk that data may not be fully or accurately provided by the CDSP to POs. POs have the ability to produce estimated invoices in the occurrence of such an event, until February 2018, after which the code will revert to its old provisions, meaning that again, POs will be unable to submit consecutive estimated invoices without the permission of Pipeline Users, and such Users are under no obligation to accept such estimated invoice, presenting cash flow risks to POs. This is particularly pertinent as the PO may not have the ability to resolve the System Failure with the CDSP. When IGT097 arrangements fall away and old provisions return, the PO is again at risk of cash flow issues which are further exacerbated under FGO arrangements. This is whereby POs, in the event of a User refusing permission to generate an estimated invoice, would be unable to recover the transportation charges from the CDSP due to the limited liabilities under the Data Services Contract and not for profit model.

This modification therefore seeks to introduce a new process into code that allows for Contingency Invoicing. The Contingency Invoicing process will allow for the ambiguity surrounding estimated invoices to be removed, Through the development of this modification and through stakeholder feedback, it was identified that a more robust measure would be required for submitting Invoice Documents where instances of System Failure occurs. It is proposed that the modification should move away from using the term 'estimated' as the data that would be used in the Contingency Invoice is actual data, albeit from the last known accurate Billing Period, or last paid invoice by the User to the PO. As with the original IGT097 arrangements, these changes are intended to be a backstop measure and only used where required. The legal drafting has been created to reflect this as a proportionate safeguard against CDSP System Failure(s), and System Failure(s) that occur with the PO system are not therefore changed by this modification.

Reference Documents

RPC Invoice Template Document

4 Solution

The solution, as briefly described in the 'How?' section is expanded upon below.

Contingency Invoicing

IGT102 is seeking to introduce two new defined terms into the IGT UNC. These terms create the framework for which the Contingency Invoicing process will be built around.

“Contingency Invoicing” is the process of generating and submitting Invoice Documents where Actual Invoicing cannot be undertaken due to any occurrence of System Failure that has not been resolved

before the preparation of Invoice Documents can commence. Any Invoice Documents produced under the Contingency Invoice process will be known as “Contingency Invoices”, and take the same meaning as this definition. The B14/B15 Charge Types contained within the RPC Invoice Template can only be used in the event of System Failure.

“**Actual Invoicing**” is the process of generating and submitting Invoice Documents using actual data provided by the CDSP to the PO. For the avoidance of doubt, Actual Invoicing is the business as usual process for creating and submitting Invoice Documents.

Contingency Invoicing is to be used in the event of System Failure that has occurred at any time during the Billing Period, but that has not been resolved before Invoice Documents can be produced.

It is proposed that the definition of System Failure is retained in its current post-IGT097 form, and amended as below:

- 21.2 (c) **"System Failure"** is an event or circumstance affecting:
- (i) the Computer System of a Pipeline Operator that affects the ability of that Pipeline Operator to generate information for communication or to give or receive communications associated with that information; or
 - (ii) the ability of the CDSP to generate and communicate accurate information in whole or in part to the Pipeline Operator in the form and by the method set out in the Data Services Contract between the Pipeline Operator and the CDSP (unless the Pipeline Operator and the CDSP have agreed otherwise), and that the System Failure has been categorised as either a P1, P2, or P3 incident (in accordance with the UK Link IS Service Definition UKLBD2) by the CDSP at any time during the Billing Period.

For the avoidance of doubt, planned Computer System downtime, for the purposes of maintenance, that has been notified by the Pipeline Operator or by the CDSP to the Pipeline Operator does not constitute System Failure.

Retain and amend the definition of System Failure which specifically includes failure of the CDSP system to be able to ‘generate and communicate information in whole or in part to the Pipeline Operator in the form and by the method set out in the Data Services Contract’.

The definition of System Failure was amended in IGT097 to allow CDSP failures to be included. Further to this, planned downtime for maintenance is not included in the definition. Where full and accurate data is not able to be sent by the CDSP to the PO, this undoubtedly constitutes a failure by the CDSP. Due to the limited liabilities within the DSC, the PO is unable to recover the costs that it has incurred in the transportation of gas through its system. It cannot be deemed fair that the User has the choice to give consent to be invoiced for costs that have already been incurred. Furthermore, the situation whereby the CDSP was appointed was not a normal competitive tender, backed off by a commercial contract. If the CDSP was tendered for in a competitive market then undoubtedly the PO would have included contractual liabilities to mitigate the risk of cash flow issues. It is further proposed that the definition should be amended to specifically include P1, P2, and P3 incidents as constituting System Failure.

Introduce principles for PO’s to follow in the event that Contingency Invoicing is required. The ‘Business Rules’.

These principles are:

- 1) The amount payable on the Contingency Invoice will be the same as the amount paid on the last Invoice Document issued by the PO and subsequently paid by the User, before System Failure, plus any new connections, if included
 - Where an invoice has been paid by the User with no disputed charges, it would indicate that the User has agreed to, and is happy to pay the invoiced amount. In practice, this would usually be the last Billing Period.

- 2) Where the PO declares that Actual Invoicing is not possible, and in any case prior to the Contingency Invoice being presented to the User, the PO will issue an email notification to the User advising them accordingly. The email notification will include:
 - a. The reason for invoking Contingency Invoicing processes,
 - b. Confirmation that the System Failure is in line with the requirements in paragraph 21.2(c)(ii),
 - c. That the appropriate System Failure has been escalated to the CDSP, and has been confirmed as a P1, P2, or P3 incident, along with date of escalation and date of confirmation that the System Failure was confirmed to be a P1, P2, or P3 incident,
 - d. The CDSP issued incident number,
 - e. The expected date of System Failure fix, if known,
 - f. The Billing Period and Invoice Document number that the Contingency Invoice Document refers to; and,
 - g. Confirmation that new connections will or will not be included in the Contingency Invoice.Unless otherwise requested by the User, the PO will issue the notification to the Contract Manager.

- 3) The RPC Invoice Template format includes a new Charge Type “B14” for Contingency Invoices and “B15” for Contingency Invoice adjustments. This will further highlight that the Contingency Invoicing process has been invoked. The invoice number and Billing Period that the Contingency Invoice refers to must be included within the ‘General Information Field’.

Changes to the RPC Invoice Template are shown in the legal text section.

- 4) Queries raised to the PO by the User should clearly reference the Contingency Invoice that it relates to.
- 5) Where the PO’s system allows, new connections will be highlighted as a separate line on the Contingency Invoice.
 - It is recognised that some Users and POs may wish to postpone charging of new connected supply points until the System Failure has been fully resolved, whilst others may wish to apply charges as they would normally be charged, i.e. in arrears on a monthly basis. It is likely that the inclusion of new connected supply points to a Contingency Invoice will be a manual activity which may influence the PO’s approach. The length of System Failure may also factor into the PO’s method. It would be pragmatic for the PO to advise the User of their intention in such circumstances.

- 6) In reconciliation, any retrospective charges and/or credits not previously accounted for within the B14 Charge Type will be levied by way of an adjustment using the B15 Charge Type. All

Contingency Invoice adjustments will be completed by the PO within 6 months of the resolution of the CDSP System Failure and of the resuming provision of accurate data to the PO by the CDSP.

- 7) The B15 Charge Type will allow for costs that have not been recovered, or costs that have been over-charged to be reconciled as if the period of System Failure did not occur. It will ensure that neither the User nor the PO has incurred costs that are not representative of the services it has procured or recovered costs that are not representative of the services provided, respectively. After periods of System Failure where Contingency Invoicing provisions have been invoked, the PO will issue, ahead of reverting to Actual Invoicing, a closure email that details:
 - a. The CDSP issued incident number,
 - b. Confirmation that the incident has been closed,
 - c. The date of the CDSP incident closure,
 - d. The Contingency Invoice number(s) and Billing Period(s) that the Contingency Invoices relate to; and,
 - e. Confirmation that Contingency Invoicing has ceased, and that Actual Invoicing will resume with Contingency Invoice adjustments as necessary.
- 8) Interest will not be applied on the reconciliation of Contingency Invoices.
- 9) During reconciliation, interest will not be applied on balances that are owed to either the PO or the User.
- 10) Clauses (G 4.9 & G4.10) will not apply where there has been an instance of System Failure within the CDSP system that results in one or more Contingency Invoices being issued. They should also not apply to Estimated invoices although the Proposer believes that this is an error in the drafting of iGT080 and not specific to this modification.
- 11) Contingency Invoicing should be for no longer than 6 consecutive full Billing Periods. The PO, and other relevant industry parties will work with the CDSP and, where appropriate, the PU, to ensure that each instance of System Failure is fully resolved no later than the 6 month period following the incident being created. For the avoidance of doubt, where an instance of System Failure has concluded and the subsequent Billing Period is maintained with Actual Invoicing, and is then followed by a further new instance of System Failure, the principles shall again be followed as if it was an initial failure.
- 12) It is recognised that Contingency Invoicing should not proceed indefinitely. Therefore, the provisions that allow for submission of Contingency Invoices should be capped at 6 months of non-resolution of each System Failure. It would be hoped that any System Failure would be resolved and data issues/adjustments would be made in a timely manner. However, in the absence of any demonstration of such a System Failure and recovery to date, the PO needs assurance that cash flow risks will not materialise. The cap will incentivise all parties to ensure that resolution is reached by relevant parties to avoid the potential of inaccurate invoices being levied.

Work Group Comments

Some members of the Workgroup recognised that the solution had been sufficiently developed from principals of iGT097 for an enduring solution, but some were still of the opinion that the modification itself was unnecessary. They believed that the current provisions of the code allowed iGTs to produce invoices

in the event of a system failure with any discrepancies addressed at a later date with Shippers, and that even if a catastrophic event was to occur it would have to continue for the whole calendar month to put iGTs in a position such that they had no data to bill Shippers. The Proposer acknowledged the comments and stressed its view that iGTs could be commercially impacted if a CDSP system failure was to occur - other working group members also agreed on the commercial impacts to the iGT. The proposer and some other members of the working group believe that there is enough ambiguity within the current provisions of the Code to require a modification that puts in place a safeguard for the iGTs against risks that are outside of its control and that cannot be backed off within the Data Services Contract due to limited liabilities on the CDSP.

5 Impacts & Other Considerations

No impacts anticipated or other considerations required for this modification

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

No impact foreseen or anticipated

Consumer Impacts

None foreseen or anticipated

Work Group Comments

The Workgroup were satisfied that the modification did not have any impacts other than those noted within the modification.

6 Relevant Objectives

Impact of the modification on the Relevant Objectives:

(A) Efficient and economic operation of the pipe-line system	Positive
(B) Co-ordinated, 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; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation agreements 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	Positive
(G) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of Energy Regulators	None

The proposer believes that IGT102 will better facilitate Relevant Objectives A and F.

IGT102 will better facilitate Relevant Objective A as it will introduce provisions that mitigate the risk of potential cash flow issues for Pipeline Operators. These issues arise where the CDSP is unable to provide the PO with full and accurate data for transportation billing purposes.

IGT102 will better facilitate Relevant Objective F as it adds clarity to areas of ambiguity surrounding 'estimated invoices' by introducing a robust process for Contingency Invoicing within periods of System Failure when IGT097 ceases to be effective in February 2018. Furthermore, it adds in processes and procedures that cover off the event of catastrophic system failure, therefore IGT UNC parties should be better prepared in occurrence of such an event.

Work Group Comments

The Workgroup were satisfied that the modification requires both Relevant Objective A and F to be assessed during Consultation.

7 Implementation

The proposer believes that this modification should be implemented at 1st February 2018, although as the development of the modification has led to a minor system change – taking a pragmatic approach, if 1st February 2018 is not possible, the proposer believes that IGT 102 should be implemented as soon as possible after this date.

We would, therefore, suggest an extraordinary release. There are no costs expected as a result of this modification.

Work Group Comments

The Workgroup noted that although this uses the existing RPC template there will be system changes needed to create the new codes introduced by this modification, implementation and testing may vary per party. The Workgroup recommends that the impacts of implementation be specifically addressed during the Consultation of this modification.

8 Legal Text

Text Commentary

Part G

Changes have been made to paragraphs 4.9 and 4.10 to state that the requirements of iGT080 (only billing for supply meter points that are recorded in the name of that Pipeline User by the CDSP) will not apply to both existing Estimated invoices and the new Contingency invoices.

The text in paragraph 9 (Contingencies) has been restructured to introduce separate sections for Estimated Invoicing (9.1) and Contingency Invoicing (9.2). Previous paragraphs 9.1, 9.2, 9.3, 9.4, 9.5 and 9.6 are all contained in new paragraph 9.1 which is only relevant for System Failure related to the Computer System of the Pipeline Operator.

New paragraph 9.2 contains the provisions to cater for the new Contingency Invoicing process and is qualified such that it is only applicable for System Failure related to the accuracy of the information generated and communicated by the CDSP and with regard to such information as the Pipeline Operator would normally expect to receive.

A change has also been made to existing Paragraph 14.1 to make it clear that where Estimated and Contingency invoices have been issued then such invoices will not be subject to the normal rules re interest payments where the invoice is paid after the Invoice Due Date.

Existing Paragraph 21.2(c) has been amended to clarify that only System Failures classified as P1, P2 or P3 are relevant for the purposes of the Code

Existing paragraphs 9.1 through 9.6 will be deleted and replaced

Part M

Changes made to set out the new defined terms that have been introduced by the Modification.

RPC Invoice Template (Ancillary Document)

Changes have been made to the RPC Invoice Template which forms part of the iGT RPC Invoice Template Ancillary Document to allow invoice documents to cater for the new Charge Types associated with the Contingency Invoice.

Suggested Text

Part G - PIPELINE TRANSPORTATION CHARGES, INVOICING, PAYMENT AND CODE CREDIT

Part G – based on text added for iGT080 (due to be implemented in November 2017 release)

4.9 Subject to PART CI paragraph 7.1 and PART CV paragraphs 2.3 and 2.9 **and PART G paragraphs 9.1 and 9.2**, where an invoice is issued to a Pipeline User that relates to use of a Pipeline for the period commencing on or after the Project Nexus Implementation Date the iGT UNC Operator must ensure that any Transportation Charges for a Supply Meter Point are only included in the invoice where the Supply Meter Point is recorded in the name of that elected Pipeline User by the Pipeline Operator Agency for the entire period to which the Transportation Charges relate.

4.10 Subject to PART CI paragraph 7.1 and PART CV paragraphs 2.3 and 2.9 **and PART G paragraphs 9.1 and 9.2**, where a Supply Meter Point is recorded in the name of an elected Pipeline User by the Pipeline Operator Agency for the entire period to which the Transportation Charges relate then that Pipeline User is liable to pay such Transportation Charges.

9 Contingencies

Legal Text comment - Existing paragraphs 9.1 through 9.6 will be deleted and replaced with the following text

9.1 Estimated invoicing

- 9.1.1 Subject to paragraph 9.1.4, in the event that, **as a result of a System Failure under 21.2(c)(i)**, the Pipeline Operator is unable to produce or submit any Invoice Documents within 7 Days after the expected date (in accordance with paragraph 5) of submission thereof:
- (a) the Pipeline Operator may prepare and submit an Invoice Document containing estimated Invoice Amount(s);
 - (b) such an Invoice Document will be a valid Invoice Document; and
 - (c) supporting data will be provided with the Invoice Document together with an explanation of the basis of estimation.
- 9.1.2 Where the Pipeline User believes that the Pipeline Operator's estimate or basis of estimation is materially inaccurate, the Pipeline User shall as soon as reasonably practicable after receiving the Invoice Document (and in any event before the Invoice Due Date) contact the Pipeline Operator and discuss the estimate or basis of estimation with a view to agreeing upon a more accurate estimate of the amount which is payable, which amount (if so agreed) shall be the amount payable by the Pipeline User in respect of the Invoice Document issued in accordance with paragraph 9.1, but without prejudice to paragraph 8.1 or 18.
- 9.1.3 Where (following discussion under paragraph 9.1.2) the Pipeline User raises an Invoice Query under paragraph 17.1:
- (a) paragraph 17.1 (c)(i) shall apply on the basis of the detail provided of the basis of estimation; and
 - (b) for the purposes of paragraph 17.1 (c)(ii), the Pipeline User shall specify the amount by which the Pipeline User reasonably believes the Pipeline Operator's estimate to be under- or over-stated.
- 9.1.4 Except with the agreement of a Pipeline User, the Pipeline Operator may not on the occurrence of any System Failure described by paragraph 21.2(c)(i) submit Invoice Documents containing estimated Invoice Amounts under this paragraph 9.1 in respect of consecutive Billing Periods.

9.2 Contingency Invoicing

- 9.2.1 **In the event of any System Failure under paragraph 21.2(c)(ii), that has occurred at any time during the current, or a previous Billing Period, but that has not yet been rectified before Actual Invoicing takes place, the Pipeline Operator will invoke Contingency Invoicing provisions, as set out in this section 9.2.**
- 9.2.2 **"Actual Invoicing" is the process of generating and submitting Invoice Documents to Pipeline Users using data updates provided by the CDSP to the Pipeline Operator. For the avoidance of doubt, Actual Invoicing is the business as usual process for creating and submitting Invoice Documents as set out in paragraphs 3 and 4 of this Part G.**

9.2.3 **"Contingency Invoicing"** is the process of generating and submitting Invoice Documents where Actual Invoicing cannot be undertaken due to any occurrence of System Failure under paragraph 21.2(c)(ii) that has not been rectified within a single billing period, and therefore inhibits the ability of the Pipeline Operator to produce Invoice Documents using actual data updates. Any Invoice Documents produced under the Contingency Invoice process will be known as **"Contingency Invoices"**, or **"Contingency Invoice Documents"** and take the same meaning as within this definition.

9.2.4 The Pipeline Operator must, at all times during the Contingency Invoicing process, follow the process as described in this paragraph 9.2.4.

- a. The amount payable on the Contingency Invoice will be the same as the amount paid on the last actual Invoice Document issued by the Pipeline Operator and subsequently paid by the Pipeline User, before System Failure, plus any New Supply Points with a Supply Point Registration Date that falls within the period covered by the Contingency Invoice, if included.
- b. Where the Pipeline Operator identifies that Actual Invoicing is not possible, and in any case prior to the Contingency Invoice being presented to the Pipeline User, the Pipeline Operator will issue an email notification to the Pipeline User advising them accordingly. The email notification will include:
 - i. The reason for invoking Contingency Invoicing processes,
 - ii. Confirmation that the System Failure is in line with paragraph 21.2(c)(ii),
 - iii. That the appropriate System Failure has been escalated to the CDSP, and has been confirmed as a P1, P2, or P3 incident in accordance with the UK Link IS Service Definition (UKLBD2), along with date of escalation and date of confirmation that the System Failure was confirmed to be a P1, P2, or P3 incident by the CDSP,
 - iv. The CDSP issued incident number,
 - v. The expected date of System Failure fix, if known,
 - vi. The Billing Period and Invoice Document number that the Contingency Invoice Document refers to; and,
 - vii. Confirmation that New Supply Points will or will not be included in the Contingency Invoice.
- c. Where the System Failure is so recent that the CDSP has not yet categorised the incident as meeting P1, P2, or P3 criteria, the Pipeline Operator will state that they will provide the information set out in paragraph 9.2.4(b)(iv) and 9.2.4(b)(v) to the Pipeline User as soon as it has been provided by the CDSP.
- d. Unless otherwise requested by the Pipeline User, the Pipeline Operator will issue the notification to the iGT UNC Contract Manager.
- e. The B14 and B15 Charge Types contained within the RPC Invoice Template will only be used for the purposes of Contingency Invoicing where System Failure has occurred in accordance with paragraph 21.2(c)(ii).
- f. Any Invoice Queries raised to the Pipeline Operator by the Pipeline User must clearly reference the Contingency Invoice number that the query is related to.

- g. Where the system of the Pipeline Operator allows, New Supply Points will be highlighted as a separate line on the Contingency Invoice.
- h. After periods of System Failure where Contingency Invoicing provisions have been invoked, the Pipeline Operator will issue, ahead of reverting to Actual Invoicing, a closure email notification that will contain:
 - i. The CDSP issued incident number,
 - ii. Confirmation that the incident has been closed,
 - iii. The date of the CDSP incident closure,
 - iv. The Contingency Invoice number(s) and Billing Period(s) that the Contingency Invoices relate to; and,
 - v. Confirmation that Contingency Invoicing has ceased, and that Actual Invoicing will resume with Contingency Invoice adjustments as necessary.
- i. In reconciliation of the Contingency Invoice, any retrospective charges and/or credits not previously accounted for within the B14 Charge Type will be levied by way of an adjustment using the B15 Charge Type. All Contingency Invoice adjustments will be completed by the Pipeline Operator within 6 months of the resolution of the System Failure under paragraph 21.2(c)(ii) and of the resuming provision of accurate data to the Pipeline Operator by the CDSP.
- j. During Contingency Invoicing, or at any time during Contingency Invoicing reconciliation, interest will not be applied on balances owed to either the Pipeline Operator or the Pipeline User.
- k. The Contingency Invoicing process should continue for no longer than 6 consecutive full Billing Periods. The Pipeline Operator and other relevant industry parties will work with the CDSP and, where appropriate the Pipeline User, to ensure that each instance of System Failure under paragraph 21.2(c)(ii) is fully rectified no later than the 6 month period following the incident being created. For the avoidance of doubt, where an instance of System Failure under paragraph 21.2(c)(ii) has concluded and the subsequent Billing Period is maintained via Actual Invoicing, and is then followed by a further new instance of System Failure under paragraph 21.2(c)(ii), the principles in this Part G 9.2 shall be followed as if it was an initial failure.

9.3 Paragraphs G4.9 and G4.10 shall not apply where there has been an instance of System Failure that results in either an Invoice Document containing estimated Invoice Amounts as set out under 9.1 or a Contingency Invoice Document as set out under 9.2 being issued.

14.1 Without prejudice to Part K7, **subject to paragraph G9.2.4(j)** where any amount payable under an Invoice is not paid on or before the Invoice Due Date, the paying party shall pay interest, after as well as before judgement at the Applicable Interest Rate, on the unpaid amount from the Invoice Due Date until the Day on which payment is made.

21.2 (c) "**System Failure**" is an event or circumstance affecting:

- (i) the Computer System of a Pipeline Operator that affects the ability of that Pipeline Operator to generate information for communication or to give or receive communications associated with that information; or
- (ii) the ability of the CDSP to generate and communicate accurate information in whole or in part to the Pipeline Operator in the form and by the method set out in the Data Services Contract between the Pipeline Operator and the CDSP (unless the Pipeline Operator and the CDSP have agreed otherwise), **and that the System Failure has been categorised as either a P1, P2, or P3 incident, in accordance with the UK Link IS Service Definition (UKLBD2) by the CDSP at any time during the Billing Period.**

For the avoidance of doubt, planned Computer System downtime, **for the purpose of maintenance**, that has been notified by the Pipeline Operator or by the CDSP to the Pipeline Operator does not constitute System Failure.

Part M – Definitions

“Actual Invoicing” shall have the meaning in Part G 9.2.2;

“Contingency Invoice Documents” shall have the meaning in Part G 9.2.3;

“Contingency Invoices” shall have the meaning in Part G 9.2.3;

“Contingency Invoicing” shall have the meaning in Part G 9.2.3;

“iGT UNC Contract Manager” is the person appointed by a Pipeline User as set out in the iGT UNC Ancillary Document Pipeline Operator Standards of Service Query Management;

RPC Invoicing Template

Field Number	Option	Field	Length	Decimal	Description	Detail
Header	M	C	30	0		SPAA Formatted Short Codes for iGT and Shipper date in format DD/MM/YYYY and Invoice number - format
Footer	M	C	18	2		Number of records and invoice Value, thousands to be delimited by comma
1	M	T	3	0	Charge Type	<p>The following allowable values will be populated for Charge Type. This field can be used to apply an indication for easy recognition of RPC or Legacy charges and adjustment charges and adjustment charges-</p> <p>B10 - Legacy Charge B11 - Legacy Adjustment B12 - RPC Charge B13 - RPC Adjustment B14 - Contingency Charge B15 - Contingency Adjustment</p> <p>Where the B14 or B15 Charge Type has been populated, the General Information Field will also be present.</p>
2	M	T	15	0	CSEP Number	iGT's Unique Project Reference Numbers
3	M	N	10	0	MPRN	Meter Point Reference No.
4	M	D	10	0	Start Date (for charges in month)	Date Format DD/MM/YYYY
5	M	D	10	0	End Date (for charges in month)	Date Format DD/MM/YYYY
6	M	N	3	0	Billing days in invoice period	Number of billing days in the period
7	M	T	3	0	Exit Zone	Exit Zone or Local Distribution Zone if available
8	M	T	3	0	Property Type	Property type as per NEXa table at entry point to RPC. Commercial Supply Points

9		M	D	10	0	RPC Entry Point Date	Connection date of live service to a premise formatted
10		M	T	12	0	EUC	End Pipeline User Category
11		M	N	12	0	AQ agreed by Authority at time of entry to RPC (kWh)	AQ in accordance with NExA table at time of RPC Entry
12		M	N	10	0	SOQ agreed at time of RPC entry	SOQ derived from CSEP NExA AQ at time of RPC Entry
13		M	N	12	0	Current Supply Point AQ in kWh	Current AQ Review AQ nominated to xoserve
14		M	T	8	0	CSEP ID	CSEP ID Nominated by xoserve
15		M	N	12	0	xoserve Nominated Maximum CSEP AQ (Provided by Lead IGT with Nest)	Maximum AQ Value held by xoserve taking into account the aggregated sum of all nested CSEPs. If IGT is Nesting – value is 0 If IGT is Lead – aggregated AQ Value
16		M	N	12	0	IGT CSEP Maximum AQ in kWh	IGT CSEP Maximum AQ in kWh as quoted in Schedule 1
17		M	N	12	0	IGT CSEP billing AQ	AQ used to derive transportation rate at time of RPC Entry
18		M	N	12	0	IGT CSEP billing SOQ	SOQ used to derive transportation rate at time of RPC entry
19		C	T	16	0	MSN	Should be populated if iGT is Gas Act Owner of meter
20		C	N	20	4	RPC Infill Uplift charge applicable pence per kWh/pence per day	Uplift maximum should not be greater than 10/ptherm or
21		C	N	20	4	Meter Operator Charges - pence per day	Meter charge per pence per day rate
22		C	N	20	4	LSP customer corrector charge	Meter asset corrector charge p/day
23		C	T	2	0	Meter Type	CM - Coin Meter; CR - Credit; ET - Electronic Token Meter; MT - Mechanical Token Meter; PP – Prepayment; TH - Thrift; U - Unknown; NS - Non-SMETS; S1 - SMETS1; S2 - SMETS2; S3 - SMETS3; S4 - SMETS4; S5
24		M	N	20	4	Transportation Charge for Billing Period £	Should exclude RPC uplift Cost. Column 21 and meter charge Column 22
25		M	N	20	4	Transportation Rate at time of RPC entry	Transportation rate before annual adjustment
26		M	N	20	2	Total Charge for Billing Period	Exclusive of VAT
27	I	O	T	50	0	General Information	Free text field for general comments. If a Contingency Invoice has been submitted, the Pipeline Operator must ensure that the General Information field includes: The invoice number that the Contingency Invoice is based on. The date of the invoice that the Contingency Invoice is based on.

Work Group Comments

The Workgroup noted that new paragraph 9.1.5 should be added to the above text. Paragraph 9.1.5 reads 'For the avoidance of doubt paragraph 9.1.4 shall not apply in respect of an event described by paragraph 21.2(c)(ii)'. The Workgroup discussed the definitions of P1, P2 & P3 incidents and noted that definitions of these incidents were included in the UK Link Manual and also noted this should be referred to at a high level. Therefore, the reference to the UK Link IS Service definition (UKLBD2) should be replaced with the UK Link Manual in 9.2.4(b)(iii) and 21.2(c)(ii).

The Workgroup were happy that as amended the legal text supports the solution and business rules for this modification.

9 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- This modification should proceed to consultation.