

At what stage is this **Workgroup Report** document in the process? IGT158: 01 Modification Workgroup Report Transition to the Central Switching **Draft Modification** Service and the Retail Energy Code Final Modification Report v3.0

Purpose of Modification:

This Modification details the transitional arrangements that will be required to the IGT Uniform Network Code (UNC) in order to implement the Central Switching Service (CSS) and transition to the Retail Energy Code version 3.0 (REC v3). This Modification will assist the technical transition of mastering data items (including the Registration) from IGT UNC to REC. For the avoidance of doubt there is a separate Modification under the Significant Code Review (SCR) that will enact the REC v3.

The Workgroup recommends that this modification should be:



- subject to self-governance procedures
- further assessed by a Workgroup

The Panel will consider this Workgroup Report on [25th February 2022]. The Panel will consider the recommendations and determine the appropriate next steps.



High Impact:

Shippers, Suppliers



Medium Impact:

None



Low Impact:

Independent Gas Transporters, Consumers

Version 1.2



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Timetable

The Proposer recommends the following timetable:

Initial consideration by Workgroup	9 th December 2021
Amended Modification considered by Workgroup	-
Workgroup Report presented to Panel	25 th February 2022
Draft Modification Report issued for consultation	28th February 2022
Consultation Close-out for representations	14 th March 2022
Variation Request presented to Panel	-
Final Modification Report available for Panel	18 th March 2022
Modification Panel decision	25 th March 2022



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Any questions?

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1 Summary

What

Responsibility for mastering Registration data will transfer from the IGT Uniform Network Code (UNC) to the Retail Energy Code (REC) following the implementation of the Central Switching Service (CSS).

In order to ensure the effective implementation of the CSS and the consequential changes to the UK Link systems, certain responsibilities will need to be discontinued in the IGT UNC in advance of the CSS Implementation or suspended for a period in line with the transitional rules defined within the Ofgem Faster Switching Programme. These lower level detail rules are specified in the Programme artefact NG0103 – Transition Plan Runbook (available here salesforce.link) A copy of the document is published alongside the Modification.

Why

This Modification is required to amend the IGT UNC to facilitate the transition and implementation of the CSS.

The implementation will mean that certain IGT UNC processes will be suspended for a period prior to CSS Implementation. This suspension will either be temporary for implementation or before they are permanently ended in the IGT UNC and replaced by processes in the REC as part of version 3.0 (REC v3) of that code.

This Modification is not seeking to implement the enduring change necessary to the IGT UNC for REC v3. These changes will be introduced by a separate Modification under Ofgem's Significant Code Review (SCR).

How

The Modification will introduce Transitional Text to support CSS Implementation and transition to REC v3.0.

2 Governance

Justification for Self-Governance Procedures

This Modification is proposed to be subject to Self-Governance as it is a transitional Modification and consequently will not have a material or discriminatory impact. As such this does not meet any of the criteria that would require it being subject to Authority Direction.

Requested Next Steps

This modification should:

- be considered a non-material change and subject to self-governance
- be assessed by a Workgroup



3 Why Change?

This Modification is required to facilitate the smooth transition to CSS. It will describe the deadlines for Pipeline Users and Pipeline Operators to submit IGT UNC transactions in order that they can be effective prior to the implementation of the CSS.

Without this Modification parties would still be entitled to submit IGT UNC transactions until the SCR text is implemented. If this were to be the case, Users may submit transactions that would otherwise become effective after the CSS Implementation. This could lead to conflict of data between the UK Link system and the system responsible for Registration.

This change will ensure that data changes and Registrations are managed in the cutover period to CSS in line with the baselined programme approach through the Ofgem Faster Switching Programme artefacts. This Modification will ensure that the IGT UNC (that places obligations on IGTs and shippers) is consistent with REC Transition Schedule drafting that places obligations on REC parties (Transporters and Suppliers) for all parties to follow the instructions in DB4 and Runbook.

4 Code Specific Matters

Reference Documents

The following Ofgem Faster Switching Programme documents have been used to produce this Modification. The documents are lengthy and are published alongside the Modification.

1. Appendix 2: The Ofgem Faster Switching Programme artefact NG0103 – Transition Plan Runbook:

The Faster Switching Programme Transitional arrangements are specified in the Transition Plan / Runbook. This document is intended to provide information describing the approach, management, and execution of the Transition Phase of the programme. The document can also be accessed here:

https://switchingprogrammeportal.my.salesforce.com/sfc/p/#4J000000Fmw9/a/4J0000002BVy/MibkYlwGdTx7WH9vNMTp7Ec0dw6F1ohKqelFH8Uo5I0

2. Appendix 3: D-4.3.4 E2E Transition Plan - Inflight Switches Management Approach:

Further functional elaboration is provided around the management of specific transactions in D-4.3.4 E2E Transition Plan - Inflight Switches Management Approach. This document is available within the Ofgem Faster Switching Artefacts here:

https://switchingprogrammeportal.my.salesforce.com/sfc/p/#4J000000Fmw9/a/4J0000002AkE/dp.w8vkB0 6RGIFemRck4w.gC38G4ilf0zL8RNgsa9Zg

3. Appendix 4: Request CRD-100:

This Change Request is intended to clarify the final submission point of a number of UNC transactions. This Modification has been drafted assuming that this Change Request will be approved.



Knowledge/Skills

No specific knowledge or skills are identified.

5 Solution

This Modification is required in order to facilitate an orderly transition to Registration being Supplier led and mastered under the REC. This Modification only applies to the Supply Points included within the scope of the Central Switching Service (CSS Supply Points). The CSS is introduced to manage Registration transactions. This will replace the existing Registration activities in the IGT UNC of Confirmation, Withdrawal, Objection and some other Supply Point Amendments, such as updates to Supplier Identity and Market Sector Code. It is not expected that there are any Non-CSS Supply Points on IGT Networks, but for the avoidance of doubt these transition rules to the IGT UNC do not apply to Supply Points not mastered under the REC (Non-CSS Supply Points). Non-CSS Supply Points include Shared Supply Points; Supplier Exempt Supply Points; NTS Direct Connect Supply Points and those provisioned with Liquified Petroleum Gas (LPG). The Non-CSS Supply Points will not be impacted by these IGT UNC Transition Rules [other than Supply Points will not be able to transition between being a CSS and Non-CSS Supply Point within the Transition Period].

For the purposes of the IGT UNC SCR drafting and transitional arrangements, all IGT UNC Supply Points will be registered via the CSS post the implementation of REC v3.

CDSP is required under the Retail Energy Code Transition arrangements to provide data to the CSS Provider in support of transition. As these arrangements are covered under the REC this Modification does not seek to further oblige the CDSP to provide this information. The data provided is currently maintained in the UK Link system by the CDSP with the exception of the Shipper-Supplier Association Data (SSAD). The SSAD requires the Shipper to define Authorised Suppliers where such Suppliers may nominate a Shipper in a CSS Request. The SSAD information needs to be in place at CSS Implementation Date. The CDSP needs to receive the nominations from Shippers in advance of the CSS Implementation Date. These arrangements are not expected to be subject to frequent change. The Shipper should provide such nominations no later than the Association Data Deadline which will be communicated to Pipeline Users by the CDSP, and should they be received after this date the CDSP has no obligation to amend the SSAD submitted to the CSS Provider that will be effective on the CSS Implementation Date.

The actual date of implementation of the CSS is not currently known. Consequently, it is proposed that the implementation date is defined for the purposes of this Transition period as the Central Switching System Implementation Date (CSSID), and every date will be described in relation to this Date – e.g. CSSID-3 Supply Point System Business Days (SPSBDs).

For the avoidance of doubt, this Modification assumes that the implementation day will be a Monday, if this is not the case a number of Non-Effective Days may need to be taken in order to ensure the data migrations to CSS can happen.

The IGT UNC specifies circumstances where the Pipeline Operator is entitled to submit a Registration. These arrangements will prevail following CSS implementation in the REC and IGT UNC. This Modification defines the point at which such Registrations must be submitted prior to CSS Implementation, and the point at which they are expected to be re-established.



Nominations and Offers are not expected to be impacted functionally for transition. Offers issued to a User prior to CSS will remain valid for the period of an Offer as defined currently within the UNC (up to 6 months (IGT UNC C CI11), but subject to other criteria e.g. DM Capacity rules), however, where such Offers relate to CSS Supply Points the terminology will be amended to 'Detail Registration Response' (see SCR text – UNC TPD G 5.3.12). Consideration should be given within the Legal Text to clarification of the amended terminology.

Meter Reading rules are amended following CSS Implementation. For example, the current rules require that the Meter Reading is obtained within the Opening Read window of D-5 to D+5 Supply Point System Business Days (D being the Supply Point Registration Date) for Class 4 Supply Meter Points. Following CSS Implementation Readings will be sought for D, and they may not be taken in advance of D – but may be obtained and submitted up until D+10 SPSBDs. Where the Read Date is not D an estimate will be inserted for D. It is proposed that there are no Transitional Rules for Meter Reading amendments. From CSS Implementation Date the new Meter Reading rules shall apply.

Following CSS Implementation, the CDSP will stop issuing the XDO file to the DCC – holder of the Smart Communications Licence. A final issue of this file will be issued following completion of processing of key batches (e.g. Address, MAM Id) on or prior to CSS Implementation Date. This is currently a daily file. A schedule will be agreed with the DCC regarding submission of this data during the Transition Period. It is not included within the Legal Text as it is not defined within the IGT UNC currently.

Batch timings of the final submission deadline within day for Batch Transfer Communications prior to CSS Implementation Date will need to be assessed once further transition detail is made available. This will not impact the Legal Text, but the existing times stated in the UK Link Manual UKL CD1 - CODE COMMUNICATIONS REFERENCE document will need to be reviewed and potentially amended. The current stated timings are:

Workgroup Comments

The Workgroup agreed that the Solution delivers what is needed to enable the CSS implementation and that it marries with the UNC Solution and transition arrangements for the UNC.

A Batch Transfer Communication may be made at any time, subject to the availability of the UK Link Network. There are no technical restrictions concerning the timing of Batch Transfer Communications. However, in order to guarantee that a Batch Transfer Communication is processed for that Supply Point System Business Day they need to be received by the CDSP by the following times on that Business Day:

CNF - Confirmations	23.00 hours
NOM – Nominations	23.00 hours
SPC - Supply Point Changes	23.00 hours
WAO - Withdrawals & Objections	23.00 hours
IAR - Isolations & Reconnections	23.00 hours
CNC - Customer Amendments	16.00 hours
EMC - Emergency Contacts	16.00 hours
RFA - Reference Amendment	16.00 hours
Meter Readings	21.00 hours]



6 Impacts & Other Considerations

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

Yes - This Modification is integral to the implementation of REC version 3. The Authority are aware of this Modification and support this Modification being raised.

Consumer Impacts

This is a Transition Modification. There will be a short-term impact on consumers as certain dates will not be available to consumers to switch their supply as we transition to the CSS.

This impact should be viewed in the wider context of the stated benefits of the Ofgem Switching Programme.

Workgroup Comments

The Workgroup agreed that the Modification will facilitate the implementation of the Faster Switching SCR Modification, which is expected to bring significant consumer benefits.

The Workgroup acknowledged that there is potentially one day in which consumers will not be able to switch due to the transition to the CSS system. This is something that has happened before, during the Nexus UK Link implementation in 2017. Any impacts felt by consumers would be very short term, lasting around one or two days. It was also highlighted that there may be some customer confusion where they are unable to switch.

It was considered that consumer initiated switching is likely to be low and so the risk of impact is lower. It was also acknowledged that Supplier of Last Resort (SoLR) switches will also be impacted as will be the consumers involved, who will not have the same visibility of the process.

Impact of the change on Consumer Benefit Areas		
Area	Identified Impact	
Improved safety and reliability	None	
No impact.		
Lower bills than would otherwise be the case The Ofgem Switching Programme have claimed benefits of the broader Programme. These are not relevant for this Transition Modification.	None	
Reduced environmental damage No impact.	None	
Improved quality of service	Positive	
This Transition Modification will ensure that processes will be applied consistently with the REC Transition products – which will ensure clarity for industry parties and reduced risk of inconsistent processes being operated between UNC and REC.		



Benefits for society as a whole	None
No impact.	

Workgroup Comments

The Workgroup agreed with the consumer benefits suggested by the Proposer.

Cross-Code Impacts

<u>UNC Modification 0784S</u> has also been raised to implement the necessary transitional provisions into the UNC. These Modifications have been developed in parallel.

This Modification will interact with the REC as it transitions to v3.0, but no consequential changes are expected.

Any co-ordination with these Codes can be achieved through the Ofgem Faster Switching Programme Transitional Meetings.

UNC	\boxtimes
REC	\boxtimes
Other	
None	

Environmental Impacts

None identified.

Central Systems Impacts

There will be material impacts to the UK Link systems. These are catered for within the CSS Consequential Changes Programme managed within Data Services Contract (DSC). An impact assessment specifically for this Modification is consequently not expected.

Workgroup Impact Assessment

The Workgroup believed similar Modifications would be required under the UNC, the Balancing and Settlement Code (BSC) and the Smart Energy Code (SEC). This Modification implements consequential change as a result of the UNC 0784 Transition Modification, and therefore the impacts of the IGT158 will not have a direct impact on any other Code.

7 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) Co-ordinated, efficient and economic operation of (i) the combined pipe-line system; and/or	None	



(ii) the pipe-line system of one or more other relevant gas transporters	
(C) Efficient discharge of the licensee's obligations	None
(D) Securing of effective competition:	Positive
(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	
(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

This Modification will enable effective transition to the revised Switching arrangements envisaged as part of the Ofgem Faster Switching Programme and the attendant stated benefits to promoting consumer switching. This Modification will also ensure clarity for Pipeline Users with respect to the submission of impacted IGT UNC transactions which will reduce impacts of this transition.

Workgroup Comments

The Workgroup agreed with the Proposer that the Modification has a positive impact on relevant objective (D) (Securing of effective competition). The Workgroup also believed the Modification impacts positively relevant objective (F) (promotion of efficiency in the implementation and administration of the Code), as implementing the same UK Link solution prescribed by the UNC Transition Modification will be more efficient. In addition, this Modification will support a smooth implementation of REC V3.

8 Implementation

This Modification needs to insert the Transition text into the IGT UNC sufficiently in advance of the CSS Implementation Date to ensure that the transaction may be dealt with accordingly.

Workgroup Comments

The Workgroup agreed that this Modification should be implemented immediately after the applicable Appeal window closes to ensure a smooth and timely transition to the CSS. It was acknowledged that this will require an extraordinary release of the IGT UNC.



9 Legal Text

The Legal Text has been provided and has published alongside this Report. The legal text for IGT158 can be found on the IGT158 webpage.

Workgroup Comments

The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

10 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

• This Self-Governance Modification should proceed to a two-week consultation.

Workgroup Comments

The Workgroup believes that this Modification effects the transitional arrangements within the IGT UNC and that the transitional arrangements in the UNC have been fully considered. Therefore, a consultation period of two weeks would be sufficient in order to bring forward the implementation date of the Modification.