UNC Workgroup Report

UNC 0708S:
Re-ordering of the UNC in advance of Faster Switching

Purpose of Modification:
This Modification proposes to realign the UNC to match the re-ordering that is in the proposed Legal Text developed for the Switching Programme and discussed at the Workgroup for Request 0630R - *Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme*.

This will ensure that the Uniform Network Code (UNC) structure and ordering matches in both the current UNC and the proposed Legal Text produced for the Faster Switching programme, so that it is easier to i) maintain both versions. ii) identify the specific changes that are in the Central Switching Service (CSS) version that is due to be introduced as part of Faster Switching and iii) Identify potential impacts on the legal text developed for Faster Switching.

The Workgroup recommends that this modification should be subject to self-governance

The Panel will consider this Workgroup Report on 19 March 2019. The Panel will consider the recommendations and determine the appropriate next steps.

High Impact:

Medium Impact:
Shippers, DNOs

Low Impact:
NTS, Consequential impact to IGTs & CDSP
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Timetable

Modification timetable:
Initial consideration by Workgroup 28 November 2019
Workgroup Report presented to Panel 19 March 2020
Draft Modification Report issued for consultation 16 April 2020
Consultation Close-out for representations 07 May 2020
Final Modification Report available for Panel 11 May 2020
Modification Panel decision 21 May 2020 (at short notice)
1 Summary

What

The Ofgem Switching Programme (OSP) was formed to introduce a programme of work to develop a faster, more reliable switching service for gas and electricity consumers to switch Supplier. A combined gas and electricity Central Switching Service (CSS) has been established to facilitate the Supplier initiated switching process, known as Faster Switching.

In readiness for this, Ofgem directed Transporters to prepare a version of the UNC in advance of the direction for implementation of Faster Switching. This advance version of the UNC was to include all of the changes that would be needed to facilitate Faster Switching.

As part of the work carried for the Legal text changes Dentons stated the following:

Before making any changes to TPD Section G we re-ordered the current text:

(i) to put the current rules into a much more logical sequence and

(ii) to remove the paragraphs which are being moved out of TPD Section G, in order to create a new ‘baseline’ version against which we could show the CSS/REC related changes.

In addition, current TPD Sections G1.19, G5 and G6 have been moved to (respectively) TPD Sections J1.9, TPD Section B, Annex B-3 and TPD Section B8.

This Modification proposes to realign the current UNC to the new order set out above. This exercise would need to take into account:

a. Any Modifications that have come into effect since the restructure, and

b. Any Modifications implemented during the development of this Modification.

In addition, the UNC Validation Rules will need to be checked by the CDSP to identify if any of the code references quoted are impacted by the re-ordering. Any amendments arising from this these will need to be agreed by the Uniform Network Code Committee (UNCC).

Why

Amending the current UNC to match the re-ordered version will result in at least 4 benefits:

a. It will allow parties to be fully prepared by helping to identify:
   - the changes that the faster switching will bring;
   - where their obligations will change
   - where new obligations will be introduced,

b. It will make amending the prepared faster switching Legal Text version easier so that this can be updated for all implemented Modifications between approval of this Modification and the implementation date for Faster Switching. This will save both cost and time overall.

c. It will allow, for example, compliance schedules etc. which are maintained by companies to be updated with new UNC code references in advance of the CSS.

d. It will assist Proposers, the Joint Office and Panel members in identifying where any new Modification is potentially impacting on the SCR (Legal Text prepared for the Switching Programme) and should aid in assessing the materiality of the impact.
How

To introduce the re-ordered version of the UNC (without any Faster Switching related changes applied) as the new current version of the UNC, taking account of any Modifications implemented up to the date of this Modification being implemented.

2 Governance

Justification for Self-Governance

This Modification is merely proposing to re-order specific sections of the UNC to mirror the proposed structure changes set out in the legal text prepared for Faster Switching (prior to the CSS changes being applied). Therefore, this Modification makes no changes to UNC parties rights or obligations, has no material impact on competition or UNC governance and therefore, should be considered as suitable for Self-Governance.

Requested Next Steps

This modification should:

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

The Workgroup believes that the change mapping should be comprehensively cross checked, and therefore, recommends 3 workgroup meetings to allow all interested parties to monitor and engage in this process.

It should be noted that the actual changes related to Faster Switching are not part of this Modification, as this has already been included under the Faster Switching Legal Text that has been submitted to the Ofgem Switching Programme. This Modification Proposal’s purpose is to introduce the re-ordering element at an earlier stage to aid transition.

3 Why Change?

By reordering the current UNC to mirror the re-ordered version of the Legal Text proposed for Faster Switching (before the CSS changes have been made) in advance of its implementation should provide the following benefits:

a. It will allow for parties to identify the changes that the Faster Switching will bring and see where their obligations will change, or where new obligations will be introduced, which in turn should aid them in ensuring they are fully prepared.

b. It will make amending the ‘on the shelf’ version easier so that this can be updated for all implemented Modifications between now and when it is to go live. This will save both cost and time overall.

c. It will allow for compliance schedules etc. which are maintained by companies to be updated with new UNC code references in advance of the Faster Switching programme being implemented.

d. It will assist Proposers, the Joint Office and Panel members in identifying where any Modification is impacting on the SCR and should aid in assessing the materiality of the impact. This should allow for a more informed assessment to be provided to the Authority should it be required.
4 Code Specific Matters

Reference Documents
None

Knowledge/Skills
Knowledge of the UNC

5 Solution
To align all of the changes made to the ordering of the UNC Transportation Principal Document (TPD), including any impacted sections where text has been moved to and newly created annexes.

The following proposed structural changes should be made:

1. Re-order UNC TPD Section G to put the current rules into a much more logical sequence; and
2. UNC TPD Sections G1.19, G5 and G6 to be moved to (respectively) UNC TPD Sections J1.9, TPD Section B, Annex B-3 and TPD Section B8.
3. UNC references to be checked and renumbered if required.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?
No impact as it is only re-ordering the existing text.

Consumer Impacts
None. This is a re-ordering of the existing codes, and there are no new, amended, or removed obligations.

Cross Code Impacts
The Workgroup believes there will be a consequential impact on the IGT UNC and will work with impacted parties.

The Workgroup also believes that there may be an impact on the UNC Validation Rules and will work with the CDSP.

EU Code Impacts
None.

Central Systems Impacts
No system changes are envisaged as this is a re-ordering of the existing text only and no obligations are added, changed or removed.
Workgroup Impact Assessment
There remains further work to do assessing the Modification to include a walk-through of the legal text.

Rough Order of Magnitude (ROM) Assessment
N/A
7 Relevant Objectives

Impact of the modification on the Relevant Objectives:

<table>
<thead>
<tr>
<th>Relevant Objective</th>
<th>Identified impact</th>
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<tbody>
<tr>
<td>a) Efficient and economic operation of the pipe-line system.</td>
<td>None</td>
</tr>
<tr>
<td>b) Coordinated, efficient and economic operation of</td>
<td>None</td>
</tr>
<tr>
<td>(i) the combined pipe-line system, and/ or</td>
<td></td>
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<tr>
<td>(ii) the pipe-line system of one or more other relevant gas transporters.</td>
<td></td>
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<tr>
<td>c) Efficient discharge of the licensee's obligations.</td>
<td>None</td>
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<td>d) Securing of effective competition:</td>
<td>None</td>
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<tr>
<td>(i) between relevant shippers;</td>
<td></td>
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<tr>
<td>(ii) between relevant suppliers; and/or</td>
<td></td>
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<td>(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.</td>
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<tr>
<td>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.</td>
<td>None</td>
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<tr>
<td>f) Promotion of efficiency in the implementation and administration of the Code.</td>
<td>Positive</td>
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<td>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.</td>
<td>None</td>
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The Workgroup believes this Modification proposal furthers Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code as it re-orders the UNC to match the baselined version that has been submitted to support the Faster Switching changes. It will also ensure that the Faster Switching changes are easier to identify as these will be the only differences to the live UNC following the implementation of this Modification Proposal.

8 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised. This date should take into account and be in-line with the relevant impacted changes to the IGT UNC and UNC Validation Rules.
9 Legal Text

Legal Text has been provided by Northern Gas Networks and is published alongside this report. The Workgroup has not yet full reviewed the Legal Text.

10 Recommendations

Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- This proposal requires further assessment and should be returned to Workgroup.