Detailed Design Change Pack

# Communication Detail

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| Comm Reference: | 3235.2 – VO - PO |
| Comm Title: | Detailed Design for XRN5695 Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers (Modification 0854) |
| Comm Date: | 13/11/2023 |

**Change Representation**

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| Action Required: | For Representation |
| Close Out Date: | 27/11/2023 |

# Change Detail

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| Xoserve Reference Number:  | [5695](https://www.xoserve.com/change/customer-change-register/xrn-5695-revision-of-virtual-last-resort-user-and-contingent-procurement-of-supplier-demand-event-triggers-modification-0854/) |
| Change Class: | Non functional |
| \*ChMC Constituency Impacted: | Shipper Users, National Gas Transmission*\*Assumed impacted parties of the proposed change, all parties are encouraged to review* |
| Change Owner:  | uklink@xoserve.com |
| Background and Context: | This change has been raised to deliver the requirements set out under UNC Modification 0854 Revision of Virtual Last Resort User and Contingent Procurement of Supplier Demand Event Triggers.The application of sanctions to a User by the UK Government will prevent that User’s active participation in the UK market. However, as it does not constitute a ‘User Default’ under the UNC, a Transporter is not able to issue a Termination Notice to that User. This potentially presents an immediate material imbalance risk as the impacted User will not be able to deliver gas to the system to meet the demand of its customers who will continue to offtake gas.The Virtual Last Resort User (‘VLRU’) and Contingent Procurement of Supplier Demand (‘CPSD’) mechanisms (which are only available where a Supplier is acting under its Deed of Undertaking (DoU) are in place to facilitate balancing of the Total System in a similar scenario i.e. where a User is the subject of a Termination Notice (and as a consequence a Supplier is operating under its DoU).As the DoU only comes into effect where arrangements between the Transporter and the relevant User ‘come to an end’ the impacted User’s Supply Point Registrations must also come to an end. Due to the nature of the proposed change, the solution option and detail design phases are being presented together in this Change Pack. |

# Change Impact Assessment Dashboard

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| Functional: | None |
| Non-Functional: | Customer Lifecycle and Invoicing Process |
| Application: | None |
| User(s): | Shipper UsersNational Gas Transmission |
| Documentation: | None |
| Other: | None |

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| Files |
| File | Parent Record | Record | Data Attribute | Hierarchy or FormatAgreed |
| None | None | None | None | None |

# Change Design Description

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| This change will seek to utilise existing processes (where possible), when a Registered User becomes subject to a new notice called a User Premises Termination Notice (UPTN). The UPTN will only be applied by National Gas Transmission in the event that a User becomes subject to Government sanctions. National Gas Transmission will issue a User Premises Termination Notice (UPTN) to a Registered User and to the CDSP in the event that the User is sanctioned by UK Government.The CDSP will issue a 'suspension' notice to the industry (on National Gas Transmission’s behalf) stating that a relevant User has become a Premises Termination User (PTU) as a result of the UPTN being issued.The CDSP will utilise existing processes to ‘suspend’ the PTU. By suspending and not terminating the PTU from the UPTN effective date, the User could re-enter the market under the same entity and short codes if government sanctions and UPTN are lifted. The following processes will be effective from the UPTN effective date:* Invoke Deed of Undertaking Process. At a high level this includes but is not limited to:
	+ Virtual Last Resort User (‘VLRU’) processes will be available to the Supplier operating under the DoU as per Modification 0788 / XRN5443. Details on utilising this process can be found [here](https://www.xoserve.com/help-centre/support/shipper-and-supplier-relationships/supplier-failed-shipper-replacement-form/).
	+ Contingent Procurement of Supplier Demand (‘CPSD’) processes are available to National Gas Transmission for relevant supply points.
	+ All inflight transactions related to the PTU will not be cancelled and will continue and be picked up under the DoU process and become the responsibility of the Supplier under the DoU’s responsibility.
	+ CDSP Invoicing team will bill the PTU directly for any outstanding charges up to the UPTN effective date (as per existing DoU process). VLRU processes will then be utilised to bill the DoU Supplier post UPTN effective date.
	+ Gas allocated to the PTU at a Shared Supply Meter Point will either remain in the system against the PTU but the responsibility will transfer to the Supplier via the DoU or be re-allocated among the remaining Shared Registered Users.
	+ The responsibility of the Supply Point Capacity or LDZ Capacity at the Supply Meter Points that the PTU is the Registered User for, will transfer to the Supplier acting under the DoU.
	+ For the relevant NTS Supply Meter Points the NTS Exit Capacity will not allow the PTU to offtake gas.
* CDSP system access and services will be suspended for the PTU
* CDSP systems includes but should not be limited to: UK Link Gemini, Contract Management Service (CMS), Data Discovery Platform (DDP), UK Link Network (IX), UK Link Portal, UK Link Online Services
* For the avoidance of doubt any future systems and services which are provided by the CDSP to a Registered User prior to them becoming subject to a UPTN, will also be suspended with immediate effect from the UPTN effective date
* The CDSP to notify the Retail Energy Code (REC) and Central Switching Service (CSS) that a UPTN has been placed on a PTU and the UPTN effective date. REC and CSS will be responsible for suspending access to any of their systems and services
* The CDSP to carry out in-house credit activities to pursue any outstanding debt owed by the PTU and to ensure that the DoU Supplier holds sufficient security to fulfil its responsibilities
* The CDSP will update the Shipper-Transporter Association Data and modify the Shipper-Supplier Association Data to remove the PTU in line with the UPTN effective date.
* As determined by the Modification 0813 Workgroup and is therefore recognised by Modification 0854, the removal of government sanctions which triggered the UPTN being issued is an unknown situation and likely to be a bespoke scenario which needs to be assessed at the time (if it occurs). Based on this, if the scenario did occur, National Gas Transmission would need to assess the implications from a UNC perspective and a subsequent change / Modification would be likely to be required to manage this specific scenario

**Implementation and Funding**Implementation of this change is subject to industry development, and Ofgem Approval, of Modification 0854. The final Modification report is expected to be submitted to Ofgem in January 2024 however, this is dependent on UNC Modification development activities.Due to specific nature of this change and the Modification 0854 proposer view that this is anticipated to only be used in very exceptional circumstances therefore the number of instances should be low. Based on this assumption and clarification that existing business processes will be used to deliver the necessary changes no additional Service & Operate (S&O) funding is to be sought to manage this process. |

# Associated Changes

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| Associated Change(s) and Title(s): | N/A |

# DSG

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| Target DSG discussion date: | 20/11/2023 |
| Any further information: | To provide an overview of the changes to the detailed design |

# Implementation

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| Target Release: | Ad hoc implementation TBC on modification approval |
| Status: | For approval |

Industry Response Detailed Design Review

«RangeStart:HDS»

Change Representation

(To be completed by User and returned for response)

# *Please consider any commercial impacts to your organisation that Xoserve need to be aware of when formulating your response*

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| User Contact Details: | Organisation: | «h1\_organisation» |
| Name: | «h1\_name» |
| Email: | «h1\_email» |
| Telephone: | «h1\_telephone» |
| Customer decision on Change Pack: | «h1\_userDataStatus» |
| Representation Publication: | «h1\_consultation» |
| Representation Comments: | «h1\_userDataComments» |

# Xoserve’ s Response

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| Xoserve Response to Organisations Comments: | «h1\_xoserveResponse» |

Please send the completed representation response to uklink@xoserve.com

«RangeEnd:HDS»

Change Management Committee Outcome

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| Change Status: | [x]  Approve | [ ]  Reject | [ ]  Defer |
| Industry Consultation: | [x]  10 Working Days | [ ]  15 Working Days |
| [ ]  20 Working Days | [ ]  Other [Specify Here] |
| Date Issued: | 13/11/2023 |
| Comms Ref(s): | 3235.2 - VO - PO |
| Number of Responses: | 2 |
| Solution Voting: | [x]  Shipper | Approve |
| [x]  National Gas Transmission | Approve |
| [ ]  Distribution Network Operator | Please select. |
| [ ]  IGT | Please select. |
| Meeting Date: | 13/12/2023 |
| Release Date: | Adhoc – dependent on Mod 0854 approval |

Please send the completed representation response to uklink@xoserve.com

Version Control

# Document

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| Version | Status | Date | Author(s) | Remarks |
| 0.1 | For approval | 09/11/2023 | James Barlow | All sections created |

# Template

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| Version | Status | Date | Author(s) | Remarks | Approved By |
| 1.0 | Approved | 09/03/2022 | Rachel Taggart | Detail Design Change Pack transferred to own document | Change Management Committee on 09/03/2022 |
| 1.1 | Approved | 25/04/2023 | Rachel Taggart | Updated with new font branding | Emma Smith |
| 1.2 | Updated | 14/08/2023 | Kate Lancaster | Updated with Representation tabs |  |