

Representation - Draft Modification Reports

UNC 0633 - Mandate monthly read submission for Smart and AMR sites from 01 December 2017

UNC 0638 - Mandate monthly read submission for Smart and AMR sites from 01 April 2018

Responses invited by: **5pm on 20 November 2017**

To: enquiries@gasgovernance.co.uk

Representative:	Ben Trasler
Organisation:	Opus Energy
Date of Representation:	20 th November 2017
Support or oppose implementation?	0633 - Support/Oppose/Qualified Support/Comments * <i>delete as appropriate</i> 0638- Support/Oppose/Qualified Support/Comments * <i>delete as appropriate</i>
Preference:	<i>If either 0633 or 0638 were to be implemented, which would be your preference?</i> 0633/ 0638 * <i>delete as appropriate</i>
Relevant Objective:	d) Positive/ Negative/None * <i>delete as appropriate</i>

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

Xoserve recently confirmed the ongoing Unidentified Gas (UIG) issue is costing the industry approximately £20-40m per month. Given the financial impact this is having on gas shippers, Opus Energy strongly supports the implementation of 0633. Opus Energy believes there are substantial benefits from the industry submitting additional reads for NDM sites which will improve the accuracy of AQ's and help alleviate a portion of the UIG volatility.

Conversely, if 0638 is implemented, the industry will continue to be exposed to the current level of UIG volatility until at least April 2018, as other solutions are only at the blueprint stage.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

Opus Energy believes that 0633 can and should be implemented on 1st December 2017.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

Opus Energy would face minimal operational costs to implement the additional requirements of either 0633 or 0638.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes.

Modification Panel Members have requested that the following questions are addressed:

Q1: Is this proposal inconsistent with the CMA requirement?

No – in fact, it would expedite the CMA’s desired outcome.

Q2: Do you believe there are any implications and/or consequential impacts that this proposal might have on Transporters’ “must read” obligations?

Opus Energy does not believe that there would be any negative impact on Transporters’ “must read” obligations. Obligating gas shippers to acquire and submit a monthly read into settlement (where a site has a Smart or AMR device fitted) may in fact reduce the number of sites that reach the “must read” stage.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

The successful implementation of either 0633 or 0638 relies on the CDSP being able to identify Smart or AMR devices. However, at present there is no formal obligation on gas shippers to update the CDSP where a site has a Smart or AMR device fitted. UNC 0632S - “*Shipper Asset Details Reconciliation*” – will address this issue but has a proposed implementation date of 1st February 2018. Until 0632S is implemented, it will be difficult to verify shipper compliance with the CMA remedy.

We therefore believe that the implementation of 632S should be prioritised to support the ongoing development of the Gas Performance Assurance Framework (PAF). This will allow the verification of accurate meter reading submission frequencies for Product Class 4 meter points for shipper performance reports 2A.5 and 2B.5 which will focus on individual meter point reconciliation.

Please provide below any additional analysis or information to support your representation.

If 0638 is implemented (rather than 0633), we would encourage the CDSP to request that where gas shippers are able to submit monthly reads for Smart or AMR devices in advance of April 2018, they do so on a voluntary basis to help tackle the UIG levels in the interim.