

## Representation

### Draft Modification Report

#### 0473 0473A – Project Nexus – Allocation of Unidentified Gas

**Consultation close out date:** 13 November 2014  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** Scotland & Southern Gas Networks  
**Representative:** Erika Melén  
**Date of Representation:** 13 November 2014

#### Do you support or oppose implementation?

0473 - Comments

0473A - Comments

#### If either 0473 or 0473A were to be implemented, which would be your preference?

Prefer 0473A

#### Please summarise (in one paragraph) the key reason(s) for your support/opposition.

SGN are offering comments on both modifications as we are not directly affected by the arrangements being put in place so have reviewed the modifications on their merit. We do support the premise of an independent unallocated gas review. The reason we have stated a preference for the Alternative modification is that we feel that using actual data to make a determination appears most pragmatic especially following a major change to the settlement arrangements under Project Nexus. We are also not sure that the transitional exclusion of unallocated gas allocations to a certain class under the original modification is appropriate as there is no current evidence that these particular sites do not add to unallocated gas volumes.

#### Modification Panel Members have indicated that it would be particularly helpful if the following questions could be addressed in responses:

**Q1: Please provide as much information and analysis to support your response, particularly any justification for why any particular class should, or should not, attract unidentified gas costs.**

No comment

**Q2: We welcome views on the attribution of unidentified gas costs under these modifications to NTS direct-connected sites.**

No comment

0473 0473A  
Representation  
13 November 2014

Version 1.0

Page 1 of 2

© 2014 all rights reserved

**Are there any new or additional issues that you believe should be recorded in the Modification Report?**

No

**Relevant Objectives:**

*How would implementation of this modification impact the relevant objectives?*

We agree with the proposers that both the modifications further relevant objective d) to some degree. Both modifications can be seen to further the objective more or less in comparison to each other. The original can exceed the alternative in that the costs are allocated in a more timely fashion. However the alternative could be seen to exceed the original as the allocation is based on actual settlement data under the new settlement regime.

**Impacts and Costs:**

*What analysis, development and ongoing costs would you face if this modification were implemented?*

Transporters will face costs during the procurement/tender process for the expert

**Implementation:**

*What lead-time would you wish to see prior to this modification being implemented, and why?*

SGN do need any implementation timescales but note that Xoserve would require some time between implementation and commencing the tender process

**Legal Text:**

*Are you satisfied that the legal text and the proposed ACS (see [www.gasgovernance.co.uk/proposedACS](http://www.gasgovernance.co.uk/proposedACS)) will deliver the intent of the modification?*

Yes although there is only draft text available for 473A

**Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*

No