

Representation

Draft Modification Report

0473 0473A – Project Nexus – Allocation of Unidentified Gas

Consultation close out date: 13 Nov 2014
Respond to: enquiries@gasgovernance.co.uk
Organisation: Total Gas & Power Ltd
Representative: Andrew Green
Date of Representation: 13th November 2014

Do you support or oppose implementation?

0473 – Support

0473A - Oppose

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

Prefer 0473

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

Currently, the AUGE, as the industry established expert has excluded Daily Metered (DM) sites from a share of unallocated gas and this principle should be carried forward into the new arrangements under project Nexus. It is therefore unacceptable that Daily Metered sites should attract a volume based smear following Project Nexus implementation. Daily metered sites have more closely monitored metering and consumption data and as such daily read sites are not exposed to the settlement error caused by the non-daily metered estimation process. As such they should not be subject to the uniform smear proposed under Mod 432. As a further supporting point, DM sites that are NTS connected are exempt from the universal smear, therefore sites that are connected to the Distribution networks should be treated in the same way.

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.

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

It has been confirmed that NTS connected sites are excluded therefore all DM sites should be treated in the same way.

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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?

Both modifications will impact relevant objective (d) as it impacts the allocation of gas and associated costs between market participants and ultimately customers. Mod 473 is fairer to the end consumer. Therefore Mod 473 has a beneficial impact and Mod 473A is unfair on those parties that do not impact unallocated gas and so has a negative effect on relevant objective (d).

Impacts and Costs:

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

Mod 473A creates huge uncertainty for Shippers to larger sites, and therefore cost to those consumers

Implementation:

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

We would wish a decision to be made on implementation of Mod 473 as soon as possible to remove the uncertainty around this issue

Legal Text:

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

TGP has not reviewed the legal text

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