

UNC Modification 0550 – Incentivising Central Project Delivery.

20th August 2015.



- This Modification proposes an implementation backstop date for Project Nexus.
- Proposes incentive payments from Gas Transporters to Gas Shippers should the delivery of central system solution be delayed further
- Is not a Self Governance Modification as it introduces financial liabilities.
- The modification is inclusive of Modification 0432 and 0434 (Project Nexus Gas Demand Estimation, Allocation, Settlement and Reconciliation Reform and Project Nexus Retrospective Adjustment.)
- The backstop date will be the current agreed Go-live date of Project Nexus as at the Implementation date of the modification.
- The incentive will take the form of a payment from Gas Transporters to Gas Shippers who have met both the initial and the revised implementation dates.



- The financial incentive should act to reduce the risk of cost over-runs to consumers and therefore improve competition.
- Further delay will result in extra costs for Gas Shippers and Suppliers to test, design and implement the solution.
- Further delay will also increase costs by extending the length of Shipper' s delivery programmes.
- By defining a firm date for delivery it assists the parties in planning during a period of considerable industry change.