



Tim Davis
Chair, UNC Panel
Joint Office of Gas Transporters

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Regarding UNC Modification 0434 (Project Nexus Retrospective Updates)

The Industrial and Commercial Shippers and Suppliers (ICoSS) group represents all the major non-domestic industrial and commercial (I&C) suppliers in the GB energy market, supplying 70% of the gas needs of the non-domestic sector; a number of our members also supply electricity to their customers¹.

I am writing with regard to UNC Modification 0434 (Project Nexus – retrospective updates) to express the views of ICoSS members concerning the benefits to the industry that the modification will bring. UNC Modification 0434, replacing the current intensive manual process to correct industry data errors with an automated process, represents a clear benefit to the market and should be seen as integral to the success of Project Nexus.

There are several clear advantages in implementing an automated process to correct historical industry data as part of Project Nexus:

- As part of the Smart Metering rollout programme, an unprecedented number of new meter installations are required to occur up to 2019 – over 20 million successful installations are required. It is not feasible to expect the industry to maintain a current view of all data items in the central systems when completing such an accelerated meter replacement programme. Far greater use of the retrospective correction process will occur and it will need to be scaled appropriately.
- It is the express intention of Ofgem to significantly shorten the process of switching customers, possibly moving to a next day process. As the customer experience should not be impaired by the need by the outgoing supplier to update industry data, greater reliance will be placed on retrospective corrections.
- The current manual process is extremely resource intensive. Irrespective of the greatly increased demands that will be placed on the current process by the market changes referenced above, there is a current requirement to simplify and automate the process as much as possible to save costs to the industry.
- Project Nexus provides the ideal opportunity to minimize the cost of implementing such a process as it will mean that it will cost a fraction of the £5m estimated by Xoserve for a standalone implementation. The most significant changes to the current industry framework since the advent of full competition is being driven by the cost efficiencies that

¹ Current Membership: Corona Energy, ENI, First Utility (associate), Gazprom Energy, GDF Suez Energy UK, Statoil UK, Total Gas & Power, Wingas UK.



Project Nexus provides. Implementing an automated process as part of Project Nexus not only results in significant savings for Xoserve, it also drives efficiencies in Shipper system development.

It would be mistaken to believe that automation of such a process would represent a risk to customers or the wider industry; manual processes currently allow for retrospective correction of industry data at the request of Shippers, this change simply streamlines that process. Considering the significant efforts being undertaken to improve the quality of industry data and the unique situation of the market, to rely on current processes will result in significant inefficiencies, data inaccuracy and cost to the market.

Please feel free to contact me if you wish to discuss this in any further detail.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Evans'.

Gareth Evans
Chair ICoSS