

Representation - Draft Modification Report 0578

Implementation of Retrospective Invoice Adjustment arrangements (Project Nexus transitional modification)

Responses invited by: **5pm 07 July 2016**

To: enquiries@gasgovernance.co.uk

Representative:	Phil Lucas
Organisation:	National Grid NTS
Date of Representation:	7 th July 2016
Support or oppose implementation?	Support
Relevant Objective:	f) Positive

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

National Grid NTS recognises the needs for orderly transition to the full scope of industry arrangements introduced as a consequence of the implementation of UNC Modification 0434. To this extent we agree with the Proposer and the conclusion of the Workgroup that implementation of this Proposal would better facilitate the achievement of relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code.

Implementation:

From a National Grid NTS perspective there is no lead time required prior to implementation. From a wider industry perspective we understand that clarity of these arrangements is required at latest by the Project Nexus Implementation Date.

Impacts and Costs

National Grid NTS may be exposed to a level of additional costs through an incremental increase in Xoserve operational costs to process the adjustments. However National Grid NTS has not fully assessed or determined the level of any such additional costs which may to a large extent be dependent on the level of demand for such adjustments.

Legal Text:

National Grid NTS is satisfied that the legal text delivers the intent of the solution advocated by this Modification Proposal.

We note the recent decision by Ofgem to defer implementation of Project Nexus from October 2016 to a target date for implementation between 1st February 2017 and 1st April 2017. We recognise that the application of the rules advocated by this Proposal (as specified in Transition Document Part IIF Section 5.6) are constrained to specific points in the Project Nexus implementation process and that such points (as currently specified in the UNC) may, in light of Ofgem's decision, be the subject of further modification.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

National Grid NTS is not aware of any such errors or omissions.

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

Not applicable.