

Representation

Draft Modification Report

0432: Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform

Consultation close out date: 06 January 2014
Respond to: enquiries@gasgovernance.co.uk
Organisation: DONG Energy Sales UK
Representative: Lorna Lewin
Date of Representation: 06 January 2014

Do you support or oppose implementation?

Support

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

This modification will allow individual meter point reconciliation for all meter points and introduce monthly rolling AQ. This will bring benefits to the industry by increased accuracy of gas settlement which will improve the allocation of costs to shippers.

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

This modification will introduce an a simplistic methodology to sharing unidentified gas across all meter points. We are concerned that this method of apportioning unidentified gas is significantly differs to the current regime, and removes the role of the AUG. We support modification 0473 to re-establish an AUG process and to determine an agreed methodology to determine an accurate allocation of UG, but would have preferred that this solution was developed at part of 0432.

The Project Nexus modifications (0432, 0434, 0440, 0467, 0473) are a suite of requirements and therefore the full benefits will be achieved if they are approved and implemented as a package.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We support the benefits highlighted in the modification report.

Impacts and Costs:

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

0432
Representation
06 January 2014

Version 1.0

Page 1 of 2

© 2014 all rights reserved

The full impact to our internal system will not be known until more information is provided following the design and implementation phase of the project.

Implementation:

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

At least 18 month lead time is required to implement changes to our system. We are concerned that there are a number of industry changes taking place in Q4 2015 (e.g. Smart data Communication Company (DCC) go-live, Gas Day Change). The full impact on the implementation on Project Nexus has not been identified and therefore brings uncertainty to the proposed implementation date of the 1st October 2015.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

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.

In addition to the points raised above, we are aware that there will be changes required to Gemini as a result of the implementation of Project Nexus. The details of the impact are unknown but may affect the implementation of Project Nexus given the current restriction on changes to Gemini during the winter period.