

Representation

Draft Modification Report

0434: Project Nexus – Retrospective Adjustment

Consultation close out date: 06 January 2014
Respond to: enquiries@gasgovernance.co.uk
Organisation: EDF Energy
Representative: James Hill
Date of Representation: 03 January 2014

Do you support or oppose implementation?

Support

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

EDF Energy fully supports the principles of Project Nexus to deliver gas settlement reform. This modification, if implemented, will give better visibility and transparency of gas costs and improved allocations for all periods. It will improve data quality of the supply point register and increase accuracy of data in shipper's systems and speed of resolution of customer issues. Having the ability to update retrospectively meter asset details would have a positive impact on realising the benefits of UNC Mod 432 with individual meter point reconciliation. In addition, this modification will enable the smoother smart meter rollout by reducing the number of incorrect meter details in the systems.

This modification, if implemented, would eradicate the shipper's need for resource intensive manual workarounds in Xoserve's Contact Management system and inter shipper disputes due to more automated and transparent data. In addition it will allow shippers to replace erroneous reads and use effectively the new rolling AQ mechanism proposed under UNC Mod 432. Without the AQ appeals process, amending erroneous AQs will be more problematic.

This UNC modification would align the gas market with the electricity market in being able to enable central and supplier systems to hold the same information and create a consistent approach across the two markets and it further mitigates the current health and safety risks associated with confusion around installation and meter inspection dates.

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

None

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Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

EDF Energy agrees with the points made in the modification report. We believe that UNC Mod 434 will better facilitate Relevant Objective (d) as it will lead to more accurate allocation of costs between Users. We also agree that UNC Mod 434 will better facilitate Relevant Objective (f) as it would aid Users to maintain the accuracy of data provided to Transporters.

Impacts and Costs:

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

It is difficult to quantify any costs for changes to our internal systems at this stage without further system design detail from Xoserve.

UNC 434 complements what UNC 432 is seeking to introduce. However, even if implemented independently to UNC 432 it will introduce an efficient automated process into the settlement regime reducing costs of manual workarounds and inter shipper disputes.

Implementation:

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

The target implementation date for Project Nexus is 1 October 2015 if the Authority reaches a decision by 31 March 2014 or 1 April 2016 if the Authority reaches a decision by 30 September 2014. Delivering these changes in an increasingly congested systems development programme is challenging especially in light of the number of other system developments that are taking place across the industry. In particular we note that delivery and integration of systems with the Smart Data Communication Company (DCC) is also scheduled for 30 September 2015. It would not be efficient to implement two significant system changes on subsequent days. Therefore if the Authority approves this modification proposal, we would expect that these project plans will recognise and reflect the interactions and pressures of the various system developments.

There is a high level of interdependency between UNC Mod 432, 434 and 440 and potentially other future modifications (eg 467 and 473) and the full benefits of these modifications will be realised if they are implemented simultaneously. It is important that these links are recognised in a coordinated systems implementation programme. Then these modifications, if approved, will minimise the cost to the industry and ultimately the end customer.

Legal Text:

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

The legal text has not been reviewed by EDF Energy.

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.

We believe that it is important to emphasise again the potential conflict of timings of industry change deliverables that are being

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proposed to be delivered on or around the 1st October 2015, including;

- UNC Mod 461 - Changing the UNC Gas Day to Align with the Gas Day in EU Network Codes
- DCC go-live for smart metering
- Change of Supplier reform
- Other change due to other European network codes

We expect Xoserve to ensure that it manages efficiently and professionally the interactions of the delivery of numerous systems changes at once. We also wish to highlight that Xoserve need to take into account the impacts of quicker switching initiatives and change of supplier process changes that are scheduled to be delivered between now and October 2015.

EDF Energy would like it to be noted that in all design of systems following Project Nexus that Xoserve must have an element of flexibility built into its systems to ensure that future changes to the gas settlements regime can be accommodated promptly and efficiently and with minimal cost.