

## Representation

### Draft Modification Report

#### 0434: Project Nexus – Retrospective Adjustment

**Consultation close out date:** 06 January 2014

**Respond to:** enquiries@gasgovernance.co.uk

**Organisation:** Scotland and Southern Gas Networks

**Representative:** Erika Melen / Joel Martin

**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.

SGN support the implementation of UNC Modification 432 as its implementation will provide the industry with an opportunity to correct erroneous data relating to gas consumption and meter asset and Supply Point address data. SGN consider that the opportunity to correct data retrospectively will ensure that charges are levied in line more closely with costs. The correction of asset data and Supply Point address data should lead to reduced costs to the industry as a whole in relation to the more efficient use of resources.

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

None.

#### Relevant Objectives:

*How would implementation of this modification impact the relevant objectives?*

SGN agree that the implementation of UNC Modification 434 would impact positively on d) securing of effective competition (i) between relevant Shippers by allowing the allocation of gas costs accurately on a timelier basis.

#### Impacts and Costs:

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

Xoserve have provided an initial estimate of the costs associated with the changes Mod 434 would introduce at £3M to £6M more than a like for like re-build of the central systems. As no systems' tendering exercise has been undertaken on a like for like basis it is difficult at this stage to accurately ascertain the additional costs associated with this modification proposal. SGN further note that the requirements

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introduced by Modification 434 would also impact on the National Grid Transmission's Gemini system. These costs have yet to be fully calculated and remain a cost risk to the project which would need to be managed under a reformed Xoserve regime, resulting from the recent Ofgem funding, governance and ownership decision.

**Implementation:**

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

SGN consider the implementation date of October 2015 is achievable despite the congested change programme Transporter systems are required to facilitate over the next two to three years.

**Legal Text:**

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

Yes.

**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.*

No.