

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: Total Gas & Power Ltd

Representative: Andrew Green

Date of Representation: 06th January 2014

Do you support or oppose implementation?

Qualified Support

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

Total Gas & Power supports this modification as part of the wider Project Nexus programme of change as it should lead to more accurate settlement of gas and allocations of costs. TGP supports the principle of individual meter point reconciliation for all meters but has a concern about data quality issues in the population of SSP meters that have previously been settled under RBD. Clarity has not been provided by the workgroup about the effect that inaccuracies in this domestic market sector will have on the wider (current) LSP market with respect to meters that have previously not been individually reconciled and are subject to infrequent meter reads. Therefore there remains a risk of incorrect smearing of costs from the Domestic to the I&C market which is currently individually reconciled.

TGP's support is also qualified due to a concern over the scale of wider industry reform that is scheduled to happen towards the end of 2015. There is no industry wide programme to co-ordinate change and therefore there is a risk that Project Nexus is implemented without regard to the burden of change on Gas Shippers and Electricity Suppliers. TGP believes that a "go live" for project Nexus at the same time as DCC implementation presents a significant risk to the industry and specifically the quality of the change that is delivered under Project Nexus.

TGP also supports the principle of rolling AQ's which should ensure that AQ's are more reflective of actual consumption at site which will be of benefit to both suppliers and end consumers.

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

No

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

TGP supports the benefits to the industry outlined in the Modification Report

Impacts and Costs:

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

TGP will face significant costs to implement the changes under Project Nexus and other industry changes related to Smart Metering.

Implementation:

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

TGP will work in line with the lead time set by Xoserve for implementation but would stress that quality of delivery of the Project Nexus Modifications is critical. The project plan should be realistic and not overly ambitious in terms of delivery date, especially in the context of other major industry change. Quality should not be compromised for the sake of delivering an arbitrary implementation date.

Legal Text:

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

TGP has not reviewed the legal Text

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