



Hinckley Operational Centre
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LE10 0NA
National Gas Emergency Service - 0800 111 999* (24hrs)
*calls will be recorded and may be monitored

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Your Reference: UNC Modification Proposal 0520/520A

UNC Modification Proposal 0520/520A – Performance Assurance Reporting

Dear Bob,

Thank you for your invitation seeking representation with respect to the above Modification Proposals. National Grid Distribution supports implementation of either 0520 or 520A.

Do you support or oppose implementation?

National Grid Distribution supports implementation of either modification. Our preference would be implementation of Modification Proposal 0520.

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

The reports as outlined in the Performance Assurance Report Registers, which would monitor Shipper performance both pre and post the Project Nexus Implementation Date, would provide a comparative view of Shipper performance which should over time lead to improved industry settlement. Whilst the reports which would be published monthly are broadly similar in content, it is notable that a number of the proposed 0520A reports would be published to all UNC parties utilising a 'peer comparison identifier' with a non-anonymised report being made available only to the Performance Assurance Committee. It is not immediately apparent why these industry reports should not be readily available to all UNC parties in a fully transparent and non-anonymised format. In addition the use of 'peer comparison identifiers' is arguably inequitable as there is a small risk that over time larger organisations in particular may become identifiable when interrogating reports collated with absolute numbers rather than percentages of portfolio. It is for these reasons that we indicate a preference for implementation of 0520.

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

We have not identified any such issues.

Self Governance Statement:

We agree that this Modification Proposal is not a self-governance modification because it may have a material impact on existing and new gas consumers.

Relevant Objectives:

Relevant Objective: a) Efficient and economic operation of the pipe-line system

Relevant Objective: d) Securing of effective competition:

- (i) between relevant shippers;
- (ii) between relevant suppliers; and/or
- (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

National Grid Distribution concurs with the statement in the Draft Modification Report in that a consequence of closer monitoring and scrutiny of Shipper performance as a result of the reports published under either Modification would better achieve relevant objective d)

We do not though agree that implementation of 0520A would better achieve relevant objective a) in any discernible manner

Impacts and Costs:

We agree with the statement in the Draft Modification Report concerning the funding of this Modification Proposal. We also note that the two modifications differ slightly in that 0520A allows for the Transporter to be liable for User Pays charges in the event any future reports are implemented which capture Transporter performance.

It is also worth noting that whilst there may be a slightly higher cost to provide the reports outlined under Modification 0520 prior to the Project Nexus Implementation Date than 0520A (up to £53k as opposed to up to £48k for 0520), the ongoing costs of providing the 0520 reports are lower (up to £11k as opposed to up to £16k for 0520A)

Implementation:

We are in agreement with the implementation timescales identified within this Modification Proposal.

Legal Text:

NGD is satisfied that the legal text and commentary as published by the Joint Office within the Draft Modification Report meets the requirements of the Modification Proposal.

Is there anything further you wish to be taken into account?

We trust that this information will assist in the compilation of the Final Modification Report. Please contact me should you require any further information.

Yours sincerely,

Andy Clasper
Stakeholder Specialist
National Grid Distribution