

Representation - Draft Modification Report 0506 0506A

Gas Performance Assurance Framework and Governance Arrangements

Responses invited by: **12 November 2015**

Representative:	Edward Hunter
Organisation:	RWE npower
Date of Representation:	11 th November 2015.
Support or oppose implementation?	0506 - Support 0506A – Oppose
Alternate preference:	<i>If either 0506 or 0506A were to be implemented, which would be your preference?</i> 0506
Relevant Objective:	d) Positive Introduction of a PAF is expected to improve data accuracy therefore settlement accuracy and assist in realizing the benefits of Project Nexus delivery. f) None

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

0506 - Support

Modification 0506 creates the opportunity to put in place an independent Performance Assurance Committee derived from a number of Industry experts that have agreed to act in the best interests of the Industry without commercial considerations. Modification 0506A does not include any considerations regarding the confidentiality of this data. This is a tried and tested model that has been shown to be effective within other areas of the energy industry.

Costs to run the tender for the provision of a Performance Assurance Regime have been shown to be low, however RWE npower is disappointed that Gas Transporters believe that Xoserve would be prohibited from tendering for this. RWE npower would

like to see a fully functioning PAF and PAC upon Nexus go-live and do not believe a tender process should take implementation beyond this.

The introduction of a different party into the arrangements may introduce expertise in Performance Assurance Techniques and achieve full independence, enabling all parties that may impact settlement data to be assessed efficiently.

An initial tender process empowers the Industry to collectively determine the expertise and ability of applying parties to perform this function in a time of considerable industry change and conflicting deadlines for delivery of this.

0506A – Oppose

Modification 0506A does not require Xoserve to be subject to the PAF regime therefore the ability of Xoserve to impact settlement data is not assessed. Post Nexus implementation this may present considerable risk.

Without data confidentiality agreements and provisions to ensure that members of the PAC act independently of the organisations by whom they are employed there is a risk of commercial pressure driving decisions.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

RWE npower would like to see the Performance Assurance Framework delivered with the Implementation of Project Nexus to ensure that data cleansed prior to Nexus delivery is maintained going forward.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

RWE npower would incur some development costs however these are considered negligible when considered alongside the benefit delivered.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No

Please provide below any additional analysis or information to support your representation

None