

Representation

Draft Modification Report

0513 Urgent - UK Link Programme (Project Nexus) - independent project assurance for Users

Consultation close out date: 03 September 2014

Respond to: enquiries@gasgovernance.co.uk

Organisation: Wales & West Utilities Ltd.

Representative: Richard Pomroy

Date of Representation: 3 September 2014

Do you support or oppose implementation?

Comments

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

The stimulus for this modification proposal appears to have been a letter by the Industrial and Commercial Shippers and Suppliers (ICoSS) group to Ofgem. This letter refers to the need for a confidential report to Ofgem highlighting the ability of each player, including Xoserve, iGT's & Shippers in the gas industry to continue functioning in a normal manner following the implementation of project Nexus. This modification seeks to secure shipper co-operation with this process but cannot secure IGT co-operation, it would be useful to understand how IGT co-operation will be achieved. We would expect an explanation as to why other possible approaches such as the Authority requesting information from Shippers were deemed not to be appropriate particularly as the letter is concerned about the ability of parties to continue to function and hence comply with their licence after Nexus go live. Some shippers may already have appropriate project assurance in place and they may therefore be exposed to paying under User Pays for a report that duplicates what is already in place. We note that there is no limit on the cost of the report which will be procured by a non-code party. We note the number of shippers that will be involved and the time available and therefore it appears that the time available for a detailed audit on each shipper's programme will be limited and therefore the report will rely on evidence provided by the shippers. We recognise that the report may provide assurance of shipper readiness for Nexus go live; however we are concerned about the appropriateness of using a UNC modification to deliver the report.

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

Self-Governance Statement:

0513
Representation
27 August 2014

Version 1.0

Page 1 of 2

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Do you agree with the Modification Panel's decision that this should be a self-governance modification?

This is should not be a self-governance modification

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

The ICOSS letter is most concerned about efficient operation of the market so based on this it appears that relevant objective

- d) Securing of effective competition:
 - (i) between relevant shippers;

may be supported by the production of the report.

Impacts and Costs:

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

It is unclear because this is an enabling modification and the scope of the report is not defined however we think that the impact on WWU will be limited.

Implementation:

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

Legal Text:

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

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.