

Representation – Modification UNC 0634 (Urgent)

Revised estimation process for DM sites with D-7 zero consumption

Responses invited by: **5pm on 03 November 2017**

To: enquiries@gasgovernance.co.uk

Representative:	Charles Ruffell
Organisation:	RWE Supply & Trading GmbH
Date of Representation:	3 rd November 2017
Support or oppose implementation?	Oppose
Relevant Objective:	d) None and potentially negative if the outcome is simply to replace one misallocation with another

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

Neither the modification proposal nor discussions at the Workgroup clearly demonstrate how the proposal will affect the level and volatility of UIG. Transitional problems with loading DM meter reading files post Nexus are being resolved so that more daily reads will be included in settlements. We do not support using AQ/365 as it is not a suitable proxy for sites that operate flexibly and respond to market signals. Using AQ/365 could equally lead to a further misallocation where a zero reading is correct. Shippers develop a good understanding of the operation of their DM sites and there are already established processes for making corrections ahead of close-out.

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

We do not support implementation.

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

There may be ongoing additional processes required to validate the CDSP's proposed amendments to consumption. This has not been quantified.

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

Not available at this time.

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

None.

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

None