

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

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| Representative: | David Addison |
| Organisation: | Xoserve |
| Date of Representation: | 2 nd November 2017 |
| Support or oppose implementation? | Qualified Support |
| Relevant Objective: | |

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

Xoserve sees merit in the principles in the modification but in line with representations made at the workgroup would request that this be considered as a transitional modification until sufficient DM Supply Meter Points are recording actual meter readings.

The deadline of D+5 should be considered within the modification solution in order that the outcome of reduced UIG volatility can be realised.

Our analysis suggests that more consumptions of zero are correct than not. The Shipper may be better placed to identify Supply Meter Points where a zero reading would not be valid and could reduce the risk of two updates being necessary to the Metered Volume which increases the likelihood of missing the closeout deadline. On an enduring basis where DM Supply Meter Points have recorded an actual zero meter reading Users could assess the validity of such reading in line with the existing UNC provisions such as in M6.6, prior to this being used the subsequent week in the event that an actual reading was not obtained.

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

As a transitional modification the process would be initiated with immediate effect from the implementation date. Process assessment would be required to implement an enduring solution with Shipper Users, but no system changes are anticipated. Consequently it is not expected that this would require an extended implementation timetable.

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

Process assessment would be required to implement an enduring solution, but no system changes are anticipated. We note that reporting has not been specified in the solution.

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

Not reviewed.

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.*

We have reservations about the timings set out within the modification. Exit Closeout occurs at Gas Flow Day +5 (calendar days). In order to get the benefit of this solution the Metered Volume should be amended by D+5 so that the allocation uses this information – otherwise consumption will only be accounted for through reconciliation. In such circumstances this will not achieve the immediate benefit of reducing the volatility of UIG.

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

Xoserve is committed to supporting the industry in reducing the volatility of UIG. We support the principle that where an actual reading has been recorded by the DMSP but cannot be submitted to, or accepted by, UK Link systems that Xoserve utilise the Metered Volume available from such reading prior to Closeout to inform the consumption of the site and the allocation.

Xoserve would absolutely support utilising the capability to insert amended Metered Volume on the remaining sites where the D-7 appears to be invalid. The modification places responsibility on Xoserve on an enduring basis to determine the validity or not of a zero consumption which, in the absence of an actual reading, it may not be best placed to do.

It does not follow that a zero consumption at a DM Supply Meter Point is invalid, and at the workgroup Xoserve offered statistics that suggested that of the 31 sites using a D-7 of zero (of the remaining 73 outstanding at 20th October) we could identify from the reading files that only 10 could be concluded were invalid zero consumptions. We would welcome assessment by Shippers in this regard.