

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:	Kirsty Dudley
Organisation:	E.ON
Date of Representation:	01 November 2017
Support or oppose implementation?	Oppose
Relevant Objective:	None

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

Although we acknowledge the current UIG challenges and we support trying to resolve it, we are not in support of the proposal put forward in Mod 0634.

Our belief is these zeros are due to Nexus implementation and once resolved the likelihood of a zero being used as an estimate is no higher than other values, so, there is no reason to assume a DM meter will break at any particular time.

We do not support the approach of AQ/365 because we do not believe it to be a sensible value to use as a default – DM AQ values are not used for allocation and as such have a lower propensity to be reviewed than other AQ values. AQ/365 also entirely excludes any seasonality which risks increasing volatility into UIG rather than reducing it. This would also miss day of week shape which is critical to DM consumption estimates.

Our view is that overall the industry would not see any substantial benefit from the proposal; instead it would more likely experience added complexity of a non-systematised solution resulting in the potential risk of issues not being resolved in time for close out, or, would result in bouncing the nomination values at the last minute. Both of these add to the uncertainty in this area so don't resolve the problem it just moves it around.

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

NA as we do not support this proposal.

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

Due to the urgency we have been unable to determine costs but there would be costs associated if approved.

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

No comments to add.

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.*

Nothing further to add.

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

Due to the urgent nature we have been unable to conduct detailed analysis but have used the recommendations of our experts in UIG.