

Representation - Draft Modification Report UNC 0651

Changes to the Retrospective Data Update provisions

Responses invited by: 5pm on 09 August 2018

To: enquiries@gasgovernance.co.uk

Representative:	Mark Jones
Organisation:	SSE Supply
Date of Representation:	09 August 2018
Support or oppose implementation?	Oppose
Relevant Objective:	d) Negative

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

Project Nexus was a very costly industry project that took several years to develop. As part of the delivery, due to the delays to the project, shippers agreed to support the transporters, who were responsible for delivering the project, to delay the RAASP element to deliver what was already a very delayed project. The transporters are now looking to put in place a sub-optimal solution, despite shipper assistance in helping them get the project in without the RAASP elements, which has resulted in shippers having to function without any form of RAASP solution since the implementation of Project Nexus and incur ongoing costs for manual solutions which are resulting in less accurate data within settlements. We are of the view that this continued lack of functionality is likely to be contributing to the high levels of unidentified gas that are being experienced by shippers since the implementation of Project Nexus.

We believe that this modification is not about delivering the best solution for the industry for the long-term benefit of the new Nexus systems, but is an attempt by the transporters to lower their costs in delivering a sub-optimal solution, to the detriment of shippers, as they will feel no direct impact due to the implementation of such a sub-optimal solution. Shippers have reaffirmed that the full RAASP solution is required and we do not see how the transporters are able to state what they believe is a better solution for shippers, as it is the shippers who manage their own processes and will have to live with a sub-optimal solution if this modification is implemented.

The full RAASP solution will provide a much better long term system solution that will ensure that the new Nexus systems are fit for purpose well into the future, and it has been confirmed by Xoserve that it can be delivered at a cost which is a relatively small fraction of the overall industry costs incurred as a result of Project Nexus. As part of the analysis for review group 0624R shippers provided data that overwhelmingly gave a cost benefit of implementing the full RAASP solution as detailed in Modification 0434.

Whilst the data cleanse proposal has some merits, we believe that they could be quite low as it would require a significant number of industry parties to engage at the same level and over the same timeframe in order to gain a large benefit from the exercise. Also, data would be likely to degrade over time after this data cleanse, and doing the exercise would be likely to take resource away from working towards and implementing the full solution as approved in Modification 0434. However, if the data cleanse exercise was deemed to provide an overall benefit, then it could be carried out as a separate exercise in conjunction with the full RAASP solution, if raised as a separate modification proposal.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

SSE agrees that this modification should go to the Authority for a decision.

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

We do not believe that this modification should be implemented.

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

We would face higher ongoing costs if this modification was implemented rather than the original solution, as approved by Modification 0434, due to the increased manual requirements that would be placed on shipper processes.

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

We have not reviewed the legal text.

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.*

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