

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:	Richard Pomroy
Organisation:	Wales & West Utilities Ltd
Date of Representation:	31 st July 2018
Support or oppose implementation?	Support
Relevant Objective:	d) Positive

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

We support this proposal (0651) because the solution proposed is proportionate to the size of the issue based on data made available to the CDSP by Shippers. The UNC currently contains unimplemented provisions which we believe are disproportionate to the issue. These were introduced as part of a wider ranging modification proposal 0434 and we question whether they would have been implemented had they been raised as a standalone proposal. The solution contained in 0651 can be implemented in a reasonable timescale that will have less impact on other high priority industry change such as Faster and More Reliable Switching than the implementation of the process it replaces.

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

This proposal does not satisfy self-governance procedures because it introduces a new process (data cleansing) that Shippers and the CDSP will need to resource.

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

Implementation will require work by the CDSP governed by the DSC change committee and we agree with the proposer that the implementation date should be guided by the recommendation of this committee.

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

WWU would share the funding of the CDSP element of the change but would not need to spend on our own internal systems or processes.

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

Yes

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.*

No

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

A key issue is whether a material number of retrospective changes would occur if the current provisions in the UNC were implemented.

In the case where there were material changes they would each have positive financial impacts on some Shippers and negative impacts on others that could go back as far as the Code Cut-off Date. Given the concern over UIG we would expect that if there was a material level of retrospective adjustments then this could lead to some problems for Shippers as these changes could not be forecast. Alternatively if there are not going to be a material number of retrospective adjustments, which seems the likely situation, then we agree with the proposer of 0651 that the current process in UNC which is not yet implemented is disproportionate to the benefit.

We note that the proposer believes that the cost benefit of this proposal is probably better than that for the process it replaces. In circumstances where the cost benefit propositions of two proposals are broadly similar then the simpler of the two proposals should be implemented as this reduces the implementation risk.