

## Representation

### Draft Modification Report

#### 0440 – Project Nexus – iGT Single Service Provision

**Consultation close out date:** 21 March 2014  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** EDF Energy  
**Representative:** Jonathan Kiddle  
**Date of Representation:** 21 March 2014

#### Do you support or oppose implementation?

Support

#### Please summarise (in one paragraph) the key reason(s) for your support/opposition.

This modification is one of a suite of modifications being progressed through the gas industry codes to facilitate a single service provision for iGTs. This would enable the use of a single standard process and systems for iGT and GDN processes. Currently, EDF Energy has to accommodate the different processes applied by iGTs and GDNs and support automated processes for some GDN flows and manual processes for others. EDF Energy therefore fully supports the implementation of UNC Mod 0440 and associated modifications as these will help to reduce industry costs of administering multiple gas system and processes. It will also help to improve data quality across iGTs and so help facilitate cost reflective charging which in turn should result in increased competition and customer choice.

We consider that some of the current arrangements in the CSEP NExA are inefficient. These arrangements cause a mismatch between the iGT and GDN records as they are updated on weekly basis and rejections of updates are not processed effectively. There is also high level of manual administration associated with these processes for GDNs, iGTs and shippers. Implementation of this modification will therefore align iGT and GDN approaches to manage allocation, settlement and reconciliation which will reduce the amount of manual administration. The implementation of this modification will also reduce the amount of unidentified gas that is caused by the current processes as there should no longer be any sites that are registered with the iGTs and not the GDN.

#### Are there any new or additional issues that you believe should be recorded in the Modification Report?

Even though current arrangements to calculate shrinkage on iGT networks are not applied we would welcome a review and application of these arrangements in the near future otherwise this shrinkage will be continue to be treated as Unidentified Gas.

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### Relevant Objectives:

*How would implementation of this modification impact the relevant objectives?*

EDF Energy agrees with the points made in the modification report. We believe that UNC Mod 0440 will better facilitate Relevant Objective (d) as the costs associated with iGT sites will be more accurately allocated making it easier to offer more cost reflective tariffs which would lead to effective competition between suppliers. In addition, we also believe that UNC Mod 0440 will also support Relevant Objective (f) as there will be common approaches to administer all sites and the inclusion of an iGT voting member will make the UNC Panel more representative of UNC code parties.

### Impacts and Costs:

*What analysis, development and ongoing costs would you face if this modification were implemented?*

We anticipate that there will be a number of changes required to our internal Settlement and billing systems which are difficult to quantify at this stage without further system design detail from Xoserve. However, EDF Energy remains committed to the implementation of this modification as part of a package to deliver a single common industry system. Although there are costs associated with the changes we believe that these are outweighed by the benefits of having a single common process to administer, improved data quality and more accurate energy allocation.

It is important that the industry is able to contribute to the development of suitable, cost-effective system solutions to deliver Project Nexus in a timely manner alongside Xoserve. We would expect Xoserve to manage the project plan with appropriate milestones and to be fully engaged with the industry participants throughout. By ensuring industry engagement and involvement throughout the systems development window it will mean that the industry will be able to manage in parallel its own internal systems and processes more effectively and efficiently.

### Implementation:

*What lead-time would you wish to see prior to this modification being implemented, and why?*

There is a high level of interdependency between UNC Mod 0440 and UNC Mods 0432 and 0434. We believe the full benefits of these modifications will be realised if they are implemented simultaneously as it is important that these links are recognised in a coordinated systems implementation programme.

If the implementation of these modifications are delayed beyond October 2015 we will not receive the full benefits that we have stated in this and previous consultations. This will also cause us to incur additional costs to maintain different systems and processes for iGTs and GDNs.

### Legal Text:

*Are you satisfied that the legal text will deliver the intent of the modification?*

Yes

### Is there anything further you wish to be taken into account?

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*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*

This proposal, combined with the associated data cleansing modifications should help to ensure that the data quality for iGT sites is improved and maintained. Having good quality data will help to facilitate the rollout of smart metering and delivering the associated benefits. In addition having common, systematised solutions for appointing MAMs and MAPs will avoid the need to support manual processes and associated costs.

We believe that it is important to emphasise again, even though modification 0491 has been raised and is out for consultation, the potential conflict of timings of industry change deliverables that are being proposed to be delivered on or around the 1<sup>st</sup> October 2015, including;

- Change of Gas Day (Mod 0461)
- DCC go-live for smart metering
- Change of Supplier reform
- Other change due to other European network codes

We expect Xoserve to ensure that it manages the interactions of the delivery of so many systems change at once. We also wish to highlight that the impacts of quicker switching initiatives and change of supplier process changes, scheduled for delivery before October 2015, must be taken into account and adequately planned for by Xoserve.

EDF Energy would like it to be noted that in all design of systems following Project Nexus that Xoserve should have an element of flexibility built into its systems to ensure that future changes to the regime can be easily accommodated in a cost-effective manner.