

Representation

Draft Modification Report

0330 - Delivery of additional analysis and derivation of Seasonal normal weather

Consultation close out date: 08 July 2011

Respond to: enquiries@gasgovernance.co.uk

Organisation: National Grid Transmission

Representative: Beverley Viney

Date of Representation: 06 July 2011

Do you support or oppose implementation?

Not in Support

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

Cost Recovery

- We are concerned that Modification 0330 does not clearly state whether it is a User Pays proposal or not. However we do note that the proposal does state that it expects the Transporters to pay 50% of the total cost estimate of £220,000. Whilst a cost estimate from the Met Office of £200,000 (stage 2 work) is mentioned in the Modification Proposal (although this estimate has not been published by the proposer), we note the proposal states that this is a provisional estimate. This along with the lack of clarity on User Pays leaves us concerned as to what the actual cost to the industry will be, how these costs are to be apportioned, and over what period of time.
- The proposal does not provide justification as to why 50% of the costs should be apportioned to Transporters. The Proposers justification under the relevant objectives does not identify additional benefit to Transporters brought about by the implementation of this proposal. Therefore we would question the proposer's allocation of costs to Transporters, and do not agree that Transporters should fund 50% of costs.

Lack of Clarity

- We believe the proposal is unclear in a large number of areas and in particular it is unclear regarding the proposed governance arrangements listed below, which we believe would cause ambiguity if the proposal was implemented in its current form;
 - What constitutes a DESC member?
 - What are the criteria to be used by the Voting parties for agreement on the following;
 - Scope of works specified in the invitation to tender
 - The proposed methodology
 - If agreement on the above cannot be obtained within a reasonable timeframe, no process is specified to resolve any disputes.

As a result of the above we cannot support implementation of this proposal as we consider that the proposal is incomplete and requires further development.

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

We have voiced the above concerns about the Proposal's lack of clarity at various UNC Panel and industry workgroup meetings and as such they may not be considered as "new issues". However, we believe the above requests for clarification should be treated as such in accordance with UNC Modification Rules 9.3.1 and 9.3.2.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Regarding A11.1 (c) we believe that Transporters already efficiently discharge their Licence obligation SSC A7 and as such this proposal will not provide any further benefit in this area.

Impacts and Costs:

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

Whilst a cost estimate from the Met Office of £200,000 (stage 2 work) is mentioned in the Modification Proposal (this estimate has not been published by the proposer), we note that the proposal states it is a provisional estimate. Coupled with the lack of clarity on the question of User Pays we are therefore concerned as to what the actual cost to the industry will be, how these costs are to be apportioned, and over what period of time.

Implementation:

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

Legal Text:

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

We have concerns that the legal text does not accurately reflect the wording of the proposal. Given the lack of clarity in the proposal it is difficult to reconcile the legal text to the proposal. As such we believe there is a risk that different parties will interpret this proposal in different ways leading to confusion.

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

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