

Representation – Modification UNC 0658 (Urgent)

CDSP to identify and develop improvements to LDZ settlement processes

Responses invited by: 5pm on 18 June 2018

To: enquiries@gasgovernance.co.uk

Representative:	Paul Bedford
Organisation:	Opus Energy Ltd
Date of Representation:	13/06/18
Support or oppose implementation?	Support/Oppose/Qualified Support/Comments* delete as appropriate
Relevant Objective:	d) Positive/Negative/None* delete as appropriate or other Relevant Objectives) Positive/Negative/None* delete as appropriate

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

The current volume and unpredictability of UIG makes it difficult for Shippers to accurately calculate how much gas they should purchase in order to balance their positions. Given the materiality of this issue, we agree that, rather than the current fragmented approach, a step-change in focus and level of investment for UIG investigations is needed in the form of a task force and that the CDSP are best positioned to lead this work. This will provide resources to investigate the root causes of UIG, with a target of reducing its volatility and scale.

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

ASAP. We agree with the urgent status of this modification, given the materiality of current levels of UIG. The establishment of a task force has no systems implications and so any lead times following approval can be short.

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

A well-coordinated and successful task force should lower costs across the industry. We would face no direct development costs.

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 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

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