

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:	Rob Johnson
Organisation:	ESP Utilities Group Limited
Date of Representation:	18/06/2018
Support or oppose implementation?	Qualified Support
Relevant Objective:	d) Positive

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

ESP is supportive of the proposal to mandate the CDSP to assign resource to a dedicated task force. ESP also supports the aim of this task force, who will look to take positive action to reduce the volatility and scale of UIG in the UK market.

However, the proposal has not included sufficient detail as to which parties the CDSP expects to recover the task force costs from, or an estimate of what these costs could be. Although ESP understands the intention is for the CDSP to recover costs incurred from Shippers, this has not been explicitly stated in the modification (dated 8 June 2018). As an IGT, ESP is not directly impacted by UIG, and as such, would not have the ability to influence solution/s proposed by the task force. ESP believes that the funding should be sourced from those parties who are directly impacted, and support this proposal on that basis.

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

ESP agrees with the Proposer of the Modification that the high value of the issue requires a solution to be implemented quickly.

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

As stated above, ESP has reservations in regards to contributing to the cost of resolving an issue where the solution has no impact to us.

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

ESP is satisfied with the line item text to be added to the CDSP service document.

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.*

ESP has noted that the task force is targeted to reduce UIP to below 4% per LDZ by the end of Q4 2018, but gives no indication of what should happen should that target not be achieved.