

Representation

Modification UNC 0658 (Urgent)

CDSP to identify and develop improvements to LDZ settlement processes

Modification Report

- 1. Consultation close out date:** 18th June 2018
- 2. Respond to:** enquiries@gasgovernance.co.uk
- 3. Organisation:** Gazprom Energy
3rd Floor
1 Tony Wilson Place
First Street
Manchester
M15 4FN
- 4. Representative:** Steve Mulinganie
Regulation Manager
stevemulinganie@gazprom-mt.com
0799 097 2568
- 5. Date of Representation:** 18th June 2018
- 6. Do you support or oppose Implementation:**
We **Support** implementation of Modification
- 7. Please summarise (in 1 paragraph) the key reason(s) for your position:**
Unidentified Gas (UIG) remains a critical issue for Shippers, Suppliers and Customers with **significant and detrimental scale and volatility** arising since Nexus Go Live. It is currently impossible to predict the level of daily allocations leading to **collective industry costs now running into tens of millions of pounds each month**. These additional costs to Shippers directly impact upon risk premiums, cost to serve and cash flow which ultimately negatively impact competition. Following a number of urgent initiatives to address this issue which have not, to date, found regulatory approval this modification gives a clear mandate for Xoserve (CDSP) to take a leadership role in addressing the Scale, Volatility and Shoulder month impacts of UIG. It provides Xoserve with the vires to take decisive and timely action to address this industry wide problem.

8. Are there any new or additional Issues for the Modification Report:

No

9. Self-Governance Statement Do you agree with the status?

NA

10. Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We **agree** with the proposer that this modification is positive in respect of Relevant Objective **(d)**

11. Impacts & Costs:

What analysis, development and on-going costs would you face if this modification was implemented?

We **have not** identified any significant costs associated with this modification

12. Implementation:

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

We would expect this proposal to be **implemented immediately** to minimise any further delay in tackling this critical industry issue

13. Legal Text:

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

We have **not reviewed** the Legal Text provided.

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

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

No