

## Representation – Urgent Modification 0573

### Project Nexus – deferral of implementation of elements of Retrospective Adjustment arrangements

**Responses invited by: 16 February 2016**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Colette Baldwin
<b>Organisation:</b>	E.ON
<b>Date of Representation:</b>	16.2.16
<b>Support or oppose implementation?</b>	Qualified Support with Comments
<b>Relevant Objective:</b>	f) Negative

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

As Xoserve are unable to deliver the functional requirements of the UNC Modification 0434 in accordance with the already amended implementation date for Project Nexus, then it's clear that this needs to be reflected in the code.

We are keen to ensure that as much of Project Nexus as possible is delivered without further delay and reluctantly support the principle of delaying the delivery of Retrospective Asset Amendments as discussed at the PNUNC meeting on 29<sup>th</sup> January, where proposals were put forward by Xoserve on potential options for transitioning to a full system delivery of RAASP. After much debate on the options, it was recognised that updates to assets would have to be processed to a system acceptable date rather than the true date, which has to be after the last "significant event" (i.e. either acceptance of a meter reading or a COS event) and that financial adjustments would be managed via CMS requests, but this would be for a maximum period of 12 months, and that after this date, Xoserve would either have the capability to deliver a system solution or would take on the manual workarounds necessary to deliver the requirements of the BRD until a system solution was available.

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

The implementation date set out in the modification must be the last amendment to these requirements. Shippers have invested heavily in programmes to deliver the full requirements and delaying delivery has already incurred significant sunk costs which are now set to increase further.

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

We have previously provided indications of delayed costs to PWC already for the delays to the programme. This further delay means that we will have to support manual workarounds for an additional year after core Nexus is delivered and we will have to provide additional programme support to deliver the delayed functionality when Xoserve are ready, which we need appropriate notice to resource.

This delay means that customers will face additional cost burdens – from maintaining cumbersome and manually intensive processes to update industry data because of the failure of the programme to deliver one of the key requirements the industry asked for from a new system, to the agreed timetable, as well as the costs associated with extending both the industry and shippers' programmes for an extended period. Given the urgent timescales of the modification we are unable to provide a specific assessment of these costs in time for the consultation response.

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

The legal text is deficient as it does not address how asset amendments are processed until the revised implementation date. There are no transition arrangements between current world and up to PNID, and there are no transition rules between PNID and 1<sup>st</sup> October 2017. We would expect to see these arrangements set out in the legal text of this modification, or a dependent modification.

### **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.*

Transition arrangements between current world and post PNID until Implementation

### **Please provide below any additional analysis or information to support your representation**

We understand the need for clarity on what is in scope of 1<sup>st</sup> October 2016 delivery, however we need to understand also what is or isn't being delivered as a consequence of this change. We do not have clarity on the rules that are being applied to correctly reflect asset amendments to the correct party from the correct date.