

Representation

Draft Modification Report

0441: Continuation of Daily Metered (Voluntary) service until the implementation of Project Nexus

Consultation close out date: 07 June 2013

Respond to: enquiries@gasgovernance.co.uk

Organisation: **GDF SUEZ Energy UK**

Representative: Phil Broom

Date of Representation: 30 May 2013

Do you support or oppose implementation?

Support

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

Daily Metered Voluntary (DMV) services are due to be phased out from 1 April 2014, Following the implementation of UNC Modification 0345 (Removal of Daily Metered Voluntary regime). When this change was implemented, it was expected that Project Nexus would be ready in time to provide a viable daily read alternative. It is now apparent that Project Nexus will not be implemented until at least early 2015, leaving a period where the majority of customer sites capable of providing daily reads will, in the absence of an alternative be forced to revert to Non-Daily Metered status and so be settled on estimates.

It would be preferable to have a seamless transition between the current DMV regime and the new product categories due to be introduced by Project Nexus. If this modification were not implemented there may be an unnecessary and transitory disturbance to existing customer contracts whereby current DM arrangements will be replaced by inferior NDM arrangements for a period.

Currently the DME service is still not a viable alternative as the deadlines for submitting reads under this regime are not supported by any commercial service provider offering in the market and we expect there will be further development time required before such services are implemented. The alternative to a commercial DME service would be for suppliers to build/implement their own solution which in view of the timescales that such an alternative would be required, would not be viable or cost effective.

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

No.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Implementation of this proposal would better facilitate relevant objective (d) to encourage better competition between shippers and suppliers. The imposition of the NDM regime for a transitory period would introduce unnecessary inefficiencies and costs to shippers and consumers which could otherwise be avoided.

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Impacts and Costs:

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

It is likely that shippers, suppliers and ultimately consumers may face additional unnecessary costs associated with a less accurate balancing regime based on NDM profiling rather than DM actual readings.

Implementation:

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

This proposal could be implemented immediately.

Legal Text:

Are you satisfied that the legal text [and the proposed ACS (see www.gasgovernance.co.uk/proposedACS)] will deliver the intent of the modification?

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.

No.