

Representation - Draft Modification Report UNC 0609

Transitional arrangements for gas settlement and replacement of Meter Readings, (Project Nexus transitional modification)

Responses invited by: **5pm on 06 April 2017**

To: enquiries@gasgovernance.co.uk

Representative:	Maitrayee Bhowmick-Jewkes
Organisation:	Npower
Date of Representation:	06 April 2017
Support or oppose implementation?	Support
Relevant Objective:	d) Negative f) Positive

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

This modification provides transitional arrangements for gas settlements to facilitate Project Nexus delivery. Re-alignment of these arrangements was necessary due to the change of the Project Nexus Implementation Date (PNID) to 1st June 2017.

Npower has noted in industry workgroups that there are some industry risks due to the absence of an AQ Review in 2017 as a result of the June PNID. This is due to the reduced ability of shippers to correct problematic data being used in AQ calculations prior to Nexus go-live.

Npower is disappointed that these highlighted risks have not been mitigated at least in part through the calculation and distribution of calculated provisional AQs. MOD 609 removes the obligation to send this data during 2017. Receipt of this data would have provided shippers with further useful intelligence to undertake final mitigating actions to correct data or prevent the calculation of problematic AQs post Nexus go-live. While some measures are in place at Nexus go-live to validate initial rolling AQs, additional risk has been introduced to the process due to the absence of an AQ review process. Further mitigating activity would have been preferable. However, npower accepts that as things stand, Xoserve believe that calculation and distribution of this data could pose a risk to project delivery.

In addition, both the lack of calculated AQ data for 2017, and the absence of the routine validation work usually undertaken by Xoserve, means that in the event of an unexpected further delay to Nexus, to a date beyond 1st June, there will be no opportunity to retrieve the situation and complete a full AQ review for 2017. While at the time of writing delay to go-live looks unlikely, full contingency in this area would have been preferable. We do note the contingency arrangements related to AQ appeals that have been proposed in the event of such a delay, and believe while they are not an optimum contingency

arrangement, they do go some way to affording some mitigation in such a scenario. We would expect Xoserve to take reasonable endeavours to undertake this proposal in such an event.

Npower notes the risk stated by Xoserve to project delivery of the aforementioned potential mitigations, and while noting this is not an ideal state of affairs, believes that project delivery takes precedence. As such, npower supports the modification that will allow transitional arrangements in gas settlement across the go-live period.

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

Implementation should follow as soon after the authority decision as possible.

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

N/A

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 Report 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

N/A