

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:	Angela Love
Organisation:	ScottishPower Energy Management Ltd
Date of Representation:	5 th April 2017
Support or oppose implementation?	Comments
Relevant Objective:	d) Negative f) Positive

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

Whilst ScottishPower supports the central aims of Modification 609 to cater for the delayed PNID date of June 2017, it cannot offer support to this proposal due to the inclusion of clauses to remove the AQ Review.

It would appear that prior to consideration of this proposal that a decision had been taken by Xoserve that there would be no AQ Review in 2017, irrespective of any subsequently delay to the implementation of Project Nexus. This is despite on-going discussions between Xoserve and the Shippers on budget and business plans from April 2017 through the Funding, Governance and Ownership of Xoserve programme, where this decision was not apparent. It was also despite there being a UNC requirement to undertake a Review process. It therefore came as a surprise that National Grid Distribution had introduced a Modification to remove the requirement to undertake an AQ Review from the UNC.

Subsequent to the initial Modification proposal being raised an alternative was brought forward by British Gas to preserve the opportunity to have an AQ Review, given the potential misallocation of energy volumes, if the PNID was delayed. It took some weeks for Xoserve to determine that the proposal by British Gas was technically unworkable and presented additional risks to the existing June 2017 PNID.

ScottishPower welcomes the suggestion by Xoserve that they could look at re-opening the appeals process, should the PNID be delayed beyond June 2017. However at this stage ScottishPower remains concerned that no proposal for this contingency has been forthcoming. ScottishPower would propose that an SSP and LSP appeals process should be explored at the earliest possible opportunity if there are any indications that the PNID date will be missed.

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

ScottishPower believes that this proposal should be implemented as soon as possible following an Authority decision to give certainty of the arrangements.

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

There are no direct costs envisaged from this modification proposal, however in the event of PNID being delayed, there is a potential for the significant misallocation of costs between Shipper parties where AQs from October 2016 will be used for a longer period. This possible misallocation was outlined within the Draft Modification Report.

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

ScottishPower has not identified any concerns with the legal text.

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.*

None

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

None