

Representation – Draft Modification Report UNC 0841 Introduction of cost efficiency and transparency requirements for the CDSP Budget

Responses invited by: 5pm on 07 March 2024

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Andy Clasper
Organisation:	Cadent
Date of Representation:	7 th March 2024
Support or oppose implementation?	Support
Relevant Objective:	<p>c) Positive</p> <p>d) Positive</p> <p>f) Positive</p>
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: *Please summarise the key reason(s) for your support or opposition.*

Modification 0841 has been in development for 12 months and has received a high level of industry scrutiny during this time.

The modification is focussed on two areas, requiring that CDSP costs should be economic and efficient, and that Business Plan Information Rules shall be used by the CDSP to inform and develop future budget planning processes.

Following the refinement of this modification through industry engagement, we are satisfied that the proposals apply proportionate obligations on UNC parties to ensure that the CDSP business plan is subject to sufficient checks and balances. This in turn, furthers relevant objectives C) Efficient discharge of the licensee’s obligations, and D) Securing effective competition.

Additionally, the CDSP has confirmed that implementation of the proposed additional checks and balances is achievable, and many have already been adopted. This is an important consideration, as we felt that a modification that introduced impractical and overly burdensome obligations on the CDSP may have incurred inefficient costs.

There seems to be general support for the proposed changes to the budget process with the modification being much changed from the original drafting to the extent that the alternate modification, 0841A was withdrawn.

Governance Statement: *Please provide your views on the self-governance statement or reasons why Authority Direction should apply.*

We agree with the proposer that that this modification should be Authority Direction due to the material changes it will make to the CDSP annual budget process.

Impacts and Costs: *Please provide a view on the impacts and costs you would face.*

We note additional annual costs shared between all DSC parties, specified within the ROM, of between £45 to £70k to provide for Business Plan assurance activities.

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

Implementation should be by May 2024, as stated by the proposer, to allow the new processes to be utilised for the 2025/26 budget.

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

As Legal Text provider, we are happy that it meets the intent of the Solution.

Panel Questions: *Panel Members have requested that the following questions are addressed.*

No questions were raised but the Panel have asked respondents to note that Modification 0841A was raised as an alternative to Modification 0841 on 27 September 2023 and was withdrawn on 26 January 2024. The information is available with all of the other 0841 documentation, as normal.

<https://www.gasgovernance.co.uk/0841>

Error or Omissions: *Are there any errors or omissions in this Modification Report that you think should be taken into account? Please include details of any impacts/costs to your organisation that are directly related to this.*

Nothing further to add.

Additional analysis: *Please provide below any analysis or information to support your representation.*

Nothing further to add.