

Representation – Modification UNC 0634 (Urgent)

Revised estimation process for DM sites with D-7 zero consumption

Responses invited by: **5pm on 03 November 2017**

To: enquiries@gasgovernance.co.uk

Representative:	Richard Pomroy
Organisation:	Wales & West Utilities Ltd
Date of Representation:	3 rd November 2017
Support or oppose implementation?	Oppose * <i>delete as appropriate</i>
Relevant Objective:	d) Negative f) Negative * <i>delete as appropriate</i>

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

Legal text was not available when this response was written and therefore our response is based on our understanding of the proposal.

If the proposed solution is interpreted narrowly our view is that the proposal tries to solve one problem but creates another. If the proposed solution is interpreted broadly our view is that it gives the CDSP wide discretion which is undesirable and may lead to the CDSP being accused of not being impartial. Further details are in the additional information section.

Either way we oppose this proposal.

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

This should be implemented immediately after an Authority Direction to do so.

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

None

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

Not available at the time this response was written.

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.*

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

The solution states:

The Shipper will be notified within the Daily Read File provided by Daily Metered Service Provider, Xoserve will then decide whether to amend the consumption, where possible to an actual consumption where derived from reading information that the Daily Metered Service Provider has recorded a reading, but has been unable to submit this reading or it has been rejected.

The key issue is the interpretation of “where possible to an actual consumption”

Based on a narrow interpretation of the proposal

If the above phrase is interpreted narrowly then we are concerned that the proposed process would create a problem if the following occurred:

- 1) There is no actual read for Day D as the Day D DMSP read fails validation
- 2) The read for the same day the previous week is zero. The CDSP’s view is that the D-7 read of zero consumption for D is not appropriate so it looks at the rejected DMSP read from (1) above

This would work if the read for D fails due to asset validation failure (the current issue) in which case the read may be useable. The process does not work if the read for D has failed validation because the read is too high perhaps due to a defect in the meter, corrector or datalogger. The process in section 5 (Solution) seems to require this potentially erroneous read to be used. Whilst rare this is not an unrealistic scenario.

Based on a wider interpretation of the proposal

The phrase “where possible to an actual consumption’ could be given a wide interpretation as meaning that the CDSP should have discretion as to whether to use the DMSP read that has failed validation. If this is the case we are concerned that this could lead to inconsistencies and disputes. Mod 565, which brought the CDSP into effect, removed discretion from the CDSP as it was thought to be no longer appropriate, reintroducing discretion would be counter to this approach.

It might be appropriate to have a process incorporating some discretion but this should be initiated by the Shipper with the CDSP testing that the Shipper’s proposed estimate is reasonable against some agreed criteria.

Enduring nature of change

The modification proposes that the changes are enduring. If either of the wide or narrow interpretations of the above phrase were to be operated for a limited transitional period then the risks may be acceptable. We do not believe that these risks are acceptable in an enduring change.