

Representation - Draft Modification Report UNC 0664

Transfer of Sites with Low Read Submission Performance from Class 2 and 3 into Class 4

Responses invited by: **5pm on 19 March 2020**

To: enquiries@gasgovernance.co.uk

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

Representative:	Kirsty Dudley
Organisation:	E.ON
Date of Representation:	09/03/2020
Support or oppose implementation?	Oppose
Relevant Objective:	d) Positive

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

In principle E.ON supports the intent of the modification; it is striving to deliver benefits into the UIG allocations through delivery of a mechanism which stops the ability to incorrectly classify supply points for prolonged periods of time. Whilst we support the principles that this modification will bring forward, the associated cost and effort required to deliver the solution within the CDSP's systems outweigh any potential benefits that could be bought forward in UIG costs; with payback for the CDSP's developments taking an unknown number of years for the UIG benefit to be realised.

Furthermore, we feel that enabling the CDSP to force class changes where a Shipper fails to do so in a timely fashion does not act as an incentive to meet this obligation, therefore E.ON concludes that this part of the proposed change is over engineering the solution. It is our belief that a much more effective and cost-efficient solution would be to set an incentive on Shippers to ensure that class changes are invoked in a timely fashion through the Performance Assurance Framework (PAF) currently under development as part of UNC 0674.

Although principally we approve with this change the costs associated to it mean we are unable to quantify the benefits case associated to the objective. We believe the solution should be focussed on compliance/incentives rather than addressing non-compliant Shippers who fail to act.

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

Should the modification be approved, the CDSP and modification implementation timings need to be aligned with a minimum of 6 months' notice to allow for system changes as we believe they will be required as part of the CDSP solution.

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

We are not able to quantify development costs as we do not have the systems insight into impacts because XRN 4990 has not yet been sufficiently developed. We do not believe that the costs outlined in the ROM will decrease but have concerns it will increase and would then have further impacts on our costs to deploy the solution.

Under the proposed solution we anticipate that the largest portion of costs will be against systems impacts based on the CDSP's solution rather than our costs. We also believe that this element of the solution can only be considered once the XRN's solution becomes clear which is typically after the modification has been approved.

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

No comments.

Modification Panel Members have requested that the following questions are addressed:

Q1: Consider whether proposal has an impact on Shippers who ship for other parties?

No comments.

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.*

Typically, the CDSP develops in detail once the principles have been agreed, however on this occasion the delivery of the detail of XRN 4990 has resulted in us being unable to completely assess how this will impact us because we believe the detailed solution is overengineered which has resulted in us being unable to support the principle.

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

No comments.