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15th June 2018
Your Reference: UNC Modification Proposal 0658

UNC Modification Proposal 0658 (Urgent) CDSP to identify and develop improvements to LDZ settlement processes

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposal.

Do you support or oppose implementation?

Support

Relevant Objective:

d) Positive.

Reason for support/opposition:

Cadent is sympathetic to the solution identified within the Modification Proposal. UIG and its detrimental effects on UNC processes is a major industry concern and the measures proposed offer a pragmatic opportunity for Xoserve (supported by the industry) to undertake an in depth, fully informed investigation.

Implementation

This Modification can be implemented with immediate effect subject to the deliberations of and any pre-requisites identified by the DSC Change Management Committee.

Impacts and Costs

We note that the activity is proposed to be 100% Shipper funded under DSC charging arrangements.

Legal Text

The Modification facilitates inclusion of a new Service Line in the Service Description Table (Annex A) of the DSC Service Document - CDSP Service Description. Cadent has provided the relevant DSC text.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

No errors or omissions have been identified.

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

Cadent has provided legal advice to the Proposer which led to the Modification Proposal being amended to reflect that the relevant changes would need to be made to the Data Services Contract rather than the UNC.

We note that it is possible that the relevant changes to the DSC could be expedited under the DSC Change Management Procedures and given the presence of Change Proposal XRN4695¹ an element of 'dual governance' presently exists. However given the high industry profile of the UIG concerns, together with the significant impact on customers we understand why on this occasion the UNC Modification route (which is also permitted by the above procedures) has been preferred. We believe in this case that any risks associated with duplication of governance are minor and can be discounted.

Notwithstanding the above, we are aware that the measures proposed within the Modification are subject to scrutiny and discussion within the DSC Committee and a number of actions have been identified to progress the solution. Subject to the completion of these, it is possible that a DSC Committee decision on implementation of the DSC changes might be forthcoming ahead of a decision on the UNC Modification albeit this seems unlikely given that Urgent procedures apply.

We trust that this information will assist in the compilation of the Final Modification Report. Please contact me on 07778 150668 (chris.warner@cadentgas.com) should you require any further information.

Yours sincerely,

Chris Warner
Industry Codes Manager, Regulation & External Affairs

¹ <https://www.gasgovernance.co.uk/XRN4695>