

Joint Office

enquiries@gasgovernance.co.uk

7th March 2024

Dear Sir or Madam,

Re: 0841 - Introduction of cost efficiency and transparency requirements for the CDSP Budget

Thank you for the opportunity to provide representation on the above noted Modification Proposal. Please find below Northern Gas Network's (NGN) comments in respect of this change.

NGN supports this Modification Proposal.

Reason for support/opposition:

The modification seeks to introduce a set of clear guidelines and structure around the Central Data Service Provider (CDSP) annual budget process, including the level of detail that will be included each year. The CDSP have already adopted a large number of these practices following feedback from prior year budgets, this modification seeks to formalise these arrangements within the UNC, with the details of the arrangements in a Code Related Document.

We are supportive of the visibility this gives industry, especially the funding parties, in relation the detail of the costs. Whilst we do not believe that this modification will result in any large reduction to the cost of the overall budget, it should provide the ability to allow parties to see how their money is being spent and provide additional assurance around the efficiency of the service. This added level of transparency and granularity would therefore appear to further Relevant Objective f) *promotion of efficiency in the implementation and administration of the Code*.

Whilst we offer support for the modification proposal, we ask that the use of external resources to carry out the annual audit of the process be based on a cost-benefit analysis each year to avoid inefficiency and detracting from the overall intent.

Implementation:

As this modification is Authority Direction, it should be implemented as directed. However we would encourage this to be at a stage within the CDSP Business Planning cycle that allows for seamless integration without additional work to document time passed processes and events.

Impacts and Costs:

None identified.

Legal Text:

We believe that the legal text provided should deliver the Solution set out in the proposal.

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

None identified.

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Service on 0800 111 999

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

For information:

There were several elements in 0841 that NGN believed were either not in the interest of the overall aim, were ambiguous, or conflicted with other legal requirements, which resulted in NGN raising alternative modification 0841A. Subsequent workgroup discussions later led to the proposer of 0841 adopting several of the differences introduced by 0841A into 0841. This led to NGN withdrawing 0841A and our offering of support to 0841.

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,

Tracey Saunders (via email)
Market Regulation Manager
Mobile: 07580 215743

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a 1100 Century Way
Thorpe Park Business Park
Colton, Leeds LS15 8TU

t 0113 397 5300
w northerngasnetworks.co.uk

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