

## Representation - Draft Modification Report UNC 0651 Changes to the Retrospective Data Update provisions

Responses invited by: **5pm on 09 August 2018**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Kirsty Dudley
<b>Organisation:</b>	E.ON
<b>Date of Representation:</b>	07/08/2018
<b>Support or oppose implementation?</b>	Comments
<b>Relevant Objective:</b>	d) Positive

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

We are supportive of the introduction of retrospective adjustments; the principle was approved as part of Project Nexus but due to delivery challenges had to be descoped.

The scope outlined in 0651 differs from the original retro proposal and although we can support either the original or the revised proposal, we support the most cost effective and accurate solution designed proposal.

The review group completed scope comparison analysis which identified the 0651 proposal (option 4) doesn't fully introduce the BRS / 0434 scope (option 3); it could therefore leave a requirement gap. We are unsure how the requirement gaps are proposed to be filled, if at all. An example of this scope difference (based on the information from the review group) is the automatic recalculation of the energy position, which we believe should be completed in a consistent and auditable way to avoid any settlement gaps or issues (or adding to UIG).

We have concerns that should 0651 be implemented the data cleanse activity may overlap with cleansing required for switching, and we are trying to ensure that the solution has adequate time lines and notice to complete any activity to support the cleanse.

Linked to the data cleanse; with smart rollout ramping up we are unsure if the volumes anticipated have been forecasted to include potential increases due to this delivery, there is an argument that today things might be disproportionate, however, if you include the possible uplift could it alter the assumptions. We have some concerns that the cleanse may be a larger activity than anticipated.

Our final concern relates to timing of a solution implementation (original or 0651), there is already a lot of UIG and Switching activity plus 0621 being proposed for 2019. We

want to ensure there is the change capacity for the CDSP to deliver this without further slippage in this solution.

We support that a solution is needed and should really be utilised as the exception rather than the norm, but, with asset and system changes occurring through smart and switching we believe an effective and robust solution for retrospective adjustments is required to ensure efficient and accurate settlement allocation.

**Self-Governance Statement:** *Please provide your views on the self-governance statement.*

We would support Authority decision as this solution for 0434 was previously approved by them and this variance should in our view be ratified by them. We also see the solution as material and requiring authority decision.

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

Minimum of 6-9 months implementation but a preference of 12 months.

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

From a costs perspective there will be both IT and operational impacts, we have not been able to fully quantify the costs but we have anticipated this to be a medium size cost. Comparing to the requirements of the original approved scope the costs for 0651 are similar but this solution seems a different operational to IT split in the costs.

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

We have no comments on the legal text.

**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.*

No errors have been noticed.

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

NA