

Representation – Urgent Modification Report UNC 0618

Extension of Invoicing Contingency Arrangements in case of Project Nexus defect

Responses invited by: **5pm on 15 May 2017**

To: enquiries@gasgovernance.co.uk

Representative:	Fraser Mathieson
Organisation:	Scotland Gas Networks and Southern Gas Networks
Date of Representation:	11 th May 2017
Support or oppose implementation?	Support
Relevant Objective:	c) Positive d) Positive f) Positive

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

SGN supports Modification 0618 as it provides an important contingency arrangement which would allow submission of consecutive estimated LDZ capacity invoices to Shippers without having to obtain consent from every individual party, as is currently the case, in the event a failure occurs in CDSP systems as a result of Project Nexus implementation.

We have no reason to expect that any invoicing issues will be encountered but believe it prudent to create contingency arrangements to mitigate the significant commercial implications that could arise in the unlikely event issues occur, and also to provide certainty to the industry in terms of the arrangements which would be employed. Modification 0618 reflects the arrangements already approved under iGT097.

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

Implementation should be immediately following Authority decision.

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

It is estimated that 95% of Networks' revenue comes from capacity charges, therefore Networks could be subjected to significant cash flow issues in the event of a failure by the CDSP. If implemented, this Modification would reduce the impact of system issues related to invoicing in the unlikely event they occur.

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

Yes.

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.*

No.

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

N/A.