

Representation - Draft Modification Report UNC 0625

Extension of 4 months to 10 months to transfer non-mandatory sites from Class 1

Responses invited by: **5pm on 02 November 2017**

To: enquiries@gasgovernance.co.uk

Representative:	Colin Paine
Organisation:	ENGIE
Date of Representation:	02/11/2017
Support or oppose implementation?	Support
Relevant Objective:	d) Negative * <i>delete as appropriate</i>

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

We support this proposal on the grounds that the additional delay will:

1. Allow more time for contractual frameworks to develop across the industry for the provision of non-DMSP daily reads, as these are not fully in place at present.
2. Accommodate the extended contracting timescales associated with the requirement (identified by engagement to date with the market-leading potential provider of these services) for data loggers at sites to be exchanged in order for the service to commence – this will lead to increased contractual complexity due to the associated health and safety concerns around site visits and physical works.
3. Enable resolution of the current uncertainty as to whether the existing DMSP read service will continue to be available after the change of class, therefore minimising the risk of discontinuity of read collection if there is a disconnect between the change of class effective date and the installation of the new data logger.
4. Avoid disruption to the current industry investigation into the effects of the Project Nexus changes on Unidentified Gas that may arise from the increased data collection issues that could occur if sites were to be migrated to Class 2 in order to meet a regulatory deadline with inadequate continuity of read provision in place (due to the necessity for a data logger exchange).
5. Permit time for adequate customer communication as the requirement to exchange data logger assets makes customer engagement more critical to the success of the class change than otherwise would have been the case.
6. Facilitate further industry communication and engagement on the benefits case for the change from a customer perspective as is necessary to support 5 above.

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

While we support the principle of extending the time prior to implementation, we would suggest that if the four month extension means an implementation date of 1 April; 2018, it may be better to wait slightly longer so that the ratchet period is ended before the class changes take effect, i.e. after 31 May 2018.

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

We do not see any costs associated with the implementation of this proposal.

Without the proposed delay we can see additional costs arising for both shippers and end consumers from sub-optimal contracting and cost-recovery decisions being made under unnecessary time pressure.

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

Yes

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

Q1: Respondents are to consider the materiality of the proposed modification and provide evidence (where available) to demonstrate the potential impacts should it be implemented.

We do not see this modification as being of high materiality. The delay will allow for a more efficient and cost effective implementation of the modification with less disruption to end consumers and industry settlement.

Q2: Following consideration of representations, it is recommended that Panel test the materiality of the modification against the self-governance criteria, prior to making a recommendation/determination on the Final Modification Report.

It is not clear what question is being asked here.

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 comment.

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

N/A