

Representation – Modification UNC 0634 (Urgent)

Revised estimation process for DM sites with D-7 zero consumption

Responses invited by: **5pm on 03 November 2017**

To: enquiries@gasgovernance.co.uk

Representative:	Paul Carman
Organisation:	ScottishPower Energy Retail
Date of Representation:	3 rd November 2017
Support or oppose implementation?	Qualified Support
Relevant Objective:	d) Positive

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

We understand that the current level and volatility of UIG are not sustainable, that consecutive estimated zero consumption is a significant contributor and welcome proposals that aim to tackle this issue.

We feel that the proposed solution will reduce UIG volumes by ensuring that non-zero consumption is attributed to DM sites that would otherwise be entered erroneously as zero.

While historically D-7 is reasonably representative because read issues had been resolved quickly, the increase in DM read issues that take a long time to resolve results in erroneously high UIG for extended periods. However, much work is being done across the industry to resolve the current high level of failed/missing reads and ScottishPower anticipate that this will reduce the level of DM read issues in the near future.

In the current form, the proposal could undermine its objective by producing an enduring process in which a shipper has a right to challenge a non-zero consumption without clearly stating what controls would prevent this being misused. There are existing processes by which an AQ can be amended and ScottishPower suggest that, in a similar manner, any Shipper taking the opportunity presented by this Mod to amend the 'default' AQ/365 consumption should be allowed to do so only on provision of adequate supporting evidence. ScottishPower does not believe this changes the effect of the Mod proposal and that it can be accommodated in the proposed legal text.

We remain concerned by an ongoing opportunity for consumption to be reduced without a Party following a defined industry processes. If this proposal is approved and the controls suggested above cannot be accommodated ScottishPower suggest there is either

- i) a sunset clause on the modification, to ensure that it does not persist as an enduring solution or
- ii) that at the very least the Mod Panel are obliged to review and propose a mitigation in Jul-18 at the latest .

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

Our preference would be ASAP

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

None

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

No legal text provided

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.*

None

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

No further analysis has taken place due to the timescales provided.