

Representation - Draft Modification Report UNC 0570

Obligation on Shippers to provide at least one valid meter reading per meter point into settlement once per annum

Responses invited by: **5pm 10 August 2017**

To: enquiries@gasgovernance.co.uk

Representative:	Gavin Anderson
Organisation:	EDF Energy
Date of Representation:	10.08.17
Support or oppose implementation?	Qualified Support
Relevant Objective:	d) Positive

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

EDF Energy agrees with the principal of the requirements and the need to improve settlement accuracy. This was highlighted in the CMA gas settlement order which looks to ensure readings obtained are submitted into settlement. We believe increased settlement accuracy can be achieved by aligning the UNC with the current requirement in the Gas Supply Licence (SLC 21B.4) and placing a requirement on shippers to submit at least one reading into settlement every 12 months.

We note however, the draft modification is not directly comparative to the requirements of SLC 21B.4, as this places a requirement to 'take all reasonable steps' however the draft modification requires shippers to 'submit at least one Valid Meter Reading'. It should be acknowledged there is a potential impact of suppliers not being able to obtain readings, despite taking all reasonable steps. Furthermore, there are instances where a valid reading cannot be entered into the CDSP systems due to data issues which can be difficult to resolve.

Consideration should also be given by PAC on the appropriate monitoring under 5.9.13. As drafted the legal text introduces a finite obligation to submit readings without consideration to difficulties that may be encountered. For example, insight can be drawn from the electricity arrangements where the obligation includes a tolerance that acknowledges the challenges set out above. Performance against this is then monitored under the Performance Framework.

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

Implementation should be aligned with the implementation of the CMA gas settlements order in April 2018.

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

Assuming that the original scope of Nexus is delivered by the CDSP as planned, there should be no additional costs. Modification 624 is considering the cost benefit of delivering the full retrospective solution, as originally agreed. Without RAASP, we are likely to require additional resource and manual processing to manage circumstances where a meter read and asset history requires replacement. This could cause us, and other shippers, to incur additional cost.

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

Legal text (5.9.9) should reflect the requirement in SLC 21B.4 to take all reasonable steps to obtain a reading as this is not always possible, despite taking all reasonable steps for the reasons stated above.

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

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

N/A