

## Representation

### Draft Modification Report

#### 0331: Demand Estimation Section H Changes to Processes and Responsibilities

**Consultation close out date:** 05 September 2011  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** **RWE npower**  
**Representative:** Steven Baker  
**Date of Representation:** 05 September 2011

#### Do you support or oppose implementation?

Support

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

Mod 331 will enable the expertise across the gas industry (in the form of an 'expert group' comprising of members from Transporters and Shippers) to be utilised for profile development and analysis. Currently, these responsibilities sit with the Transporters, with any proposed amendments presented to DESC for approval. Mod 331 will require buy in from the expert group (and hence representatives of Transporters and Shippers) prior to submission to DESC, meaning there is less chance of opposition. This, coupled with fewer restrictions in the code underlying section H, will enable a more efficient process for change. The increased expertise should also enable the derivation of more accurate profiles.

Control of any changes will be maintained as any proposed changes will have to be approved in DESC.

#### Are there any new or additional issues that you believe should be recorded in the Modification Report?

No

#### Relevant Objectives:

*How would implementation of this modification impact the relevant objectives?*

A11.1 D – Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

The production of more accurate/robust profiles will have a positive impact on allocation, in turn ensuring effective competition between shippers is realised.

**Impacts and Costs:**

*What analysis, development and ongoing costs would you face if this modification were implemented?*

Contribution to the expert group will impact staff resource.

Any arising costs over and above standard levels are inherited and smeared across the shippers.

**Implementation:**

*What lead-time would you wish to see prior to this modification being implemented, and why?*

As soon as possible.

**Legal Text:**

*Are you satisfied that the legal text will deliver the intent of the modification?*

Page 2 of the report states "We will also be requesting UNCC create a new sub-committee or allow DESC to create a group of specialists to look at specific areas". A general concern is that there no specific definition for sub-committee. The modification report refers to it as an "Expert Group" which hasn't yet been created. We have a concern that if governance arrangements are not in place yet and the sub-committee has not been created this may result in an anomaly or an inconsistency with the drafting of the legal text for the purpose of Mod 331. This could be avoided by creation of the sub-committee by the UNCC and establishing terms of reference and governance arrangements at the outset followed by drafting and agreement of the legal text once these other matters are in place.

We feel some minor amendments are required, as follows:

1.3.1 4th line - typo space between "committee" and "for"

1.5.4 2nd line typo

1.8.1(c) 3rd line change "considered" to "considers"

1.8.4(b) insert word "such" so reads "in respect of such representations made by them"

1.8.5 third line - cross reference 1.8.4(b)

1.9.2 11th line following words "End User categories" insert the words "For the next Gas Year"

1.11.1 - amend cross references 1.7.2 to 1.7.1 and amend to 1.8.1, query 4.3.1 (does this pertain to another section, if so we should refer).

1.11.4(a) 3rd line insert words "in order" immediately following word "additional information"

1.11.4(b) 2nd line delete "who" and replace with "which"

### **Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*