

Further Representation

0345 - Removal of Daily Metered voluntary regime

Consultation close out date: 05 September 2011
Respond to: enquiries@gasgovernance.co.uk
Organisation: **EDF Energy**
Representative: Stefan Leedham
Date of Representation: 05 September 2011

Modification Panel Members have indicated that it would be particularly helpful if the following questions could be addressed in responses:

Q1: which of the following dates would you recommend as an implementation date for this modification:

01 October 2011 - not supported

01 October 2012 – support – not preferred

01 October 2013 - supported – preferred implementation date

Q2: How would you justify your support/lack of support for the above dates? You may wish to include views on the development of alternative metering solutions.

We have based our response on the assumption that the DMV service, currently provided by the GDNs is discontinued with the implementation of 0345. This assumes that a like for like service is not offered on a commercial basis, and so our only option is to take the DME service implemented by mod 224. We have not analysed the costs associated with 224 to identify whether this is a service that would be commercially attractive to us.

Under the current DMV arrangements Shippers receive validated meter readings from the GDNs. Our systems have therefore been designed with the expectation that validation will have been carried out prior to receiving these readings and with no expectation that they will have to be re-submitted to another party. DME on the other hand requires Shippers to receive the meter reading, validate the reading and then submit this into xoserve's systems by 10.00am D+1. This represents a fundamental change to how our IT systems operate and the processes that will be followed.

The IT systems in question are responsible for our balancing and operational gas activities. They are therefore a key business requirement and any change is akin to a change to the Gemini systems operated by xoserve on behalf of the gas transporters.

Our initial views are that due to the fundamental change in our systems, this would require the formation of a specific project to manage the system designs, undertake testing and ensure that all of our processes (including risk management) were updated to meet these new requirements. It is worth noting that as these systems are integral to our trading and operational functions we expect the testing for such a fundamental change to take a significant period of time. Therefore we expect that we will require a minimum of 12 months from an Ofgem decision in order to form a project team and implement these changes.

Due to the level of change we are unable to support implementation in October 2011. Although we could support an October 2012 implementation date, this is based on the assumption that we receive an Ofgem decision by 1 October 2011. If a decision was not received by this date then we would not be able to support a 1 October 2012 implementation.

We prefer a 1 October 2013 implementation date, as this will allow us to manage and co-ordinate our internal change processes to minimise costs. Initial indications are that a 1 October 2013 would allow us to co-ordinate these changes with other expected changes in this area, reducing costs. We may be able to roll out a gradual solution as opposed to a single change approach, which would allow longer testing and also reduce costs.

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.

N/A