

## Representation

### Draft Modification Report

#### 0441: Continuation of Daily Metered (Voluntary) service until the implementation of Project Nexus

**Consultation close out date:** 07 June 2013  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** EDF Energy  
**Representative:** Naomi Anderson  
**Date of Representation:** 07 June 2013

#### Do you support or oppose implementation?

Support

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

We support the provision of a seamless transition between current arrangements and the new process to be brought in by Project Nexus.

The risk to EDF Energy should this not be approved, would be larger assets with an SOQ below the mandatory threshold would become Non-Daily Metered (NDM) LSPs. Changing the classification would result in customer contracts being updated because greater risk would be carried by the shipper as a result of no longer purchasing the exact volume of energy on a daily basis. There would also be a negative impact on demand forecasting for the whole market, as these sites would be forecasted based on a monthly profile and not follow the daily nomination process that is currently in place. Currently any change in usage is reflected by a re-nomination in Gemini, without the DMV arrangement changes in expected consumption would go through the reconciliation process.

EDF Energy has not found it cost effective to implement the Daily Metered Elective regime as commercial MAMs do not match the service provided by National Grid. EDF Energy believes that the changes under Project Nexus will provide a usable daily balancing product which will have a continued positive effect on demand forecasting and the market as a whole.

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

No

#### Relevant Objectives:

EDF Energy feel there would be a positive effect on continuing competition between Shippers by the extension of the DMV regime

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as this regime ensures that costs are accurately allocated between Shippers in a timely manner.

**Impacts and Costs:**

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

There are no cost implications for implementation.

**Implementation:**

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

As there are no systems or process changes to be taken into account the suggested implementation date of 1<sup>st</sup> October 2013 is critical to the effective operating of the pipeline network.

**Legal Text:**

*Are you satisfied that the legal text [and the proposed ACS (see [www.gasgovernance.co.uk/proposedACS](http://www.gasgovernance.co.uk/proposedACS))] will deliver the intent of the modification?*

We are satisfied with the legal text.

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

Should this modification not be implemented there is a risk to Demand Estimation. The DMV assets that EDF Energy has experience of operating, run inconsistently, not following a standard profile shape. Should this consumption not be nominated on Gemini in a timely manner then there would be a negative effect on National Grid's demand estimation algorithm which would not be in consumer's interest.