

Representation

Draft Modification Report

0513 Urgent - UK Link Programme (Project Nexus) - independent project assurance for Users

Consultation close out date: 3 September 2014

Respond to: enquiries@gasgovernance.co.uk

Organisation: EDF Energy

Representative: Natasha Ranatunga

Date of Representation: 3 September 2014

Do you support or oppose implementation?

Comments

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

EDF Energy agrees that it is important that all parties are prepared for the implementation of Project Nexus on 1st October 2015. It should be noted that the obligation to be prepared for the Project Nexus implementation date is embedded within all Gas Shipper Licences¹. Successful implementation is dependent on good industry engagement and involvement throughout the systems development window as it will mean that the industry will be able to manage in parallel its own internal systems and processes more effectively and efficiently.

UNC 0513 seeks to place an obligation for Shipper Users to provide data to an Ofgem appointed agency. The agency will be tasked with producing a Shipper readiness report which is to be presented to Ofgem with a corresponding independently prepared readiness report for the Gas Transporter's agency. It is anticipated that these reports together are to provide Ofgem with project assurance on the industry's preparatory activities and state of readiness for the implementation of Project Nexus on 1st October 2015. However, Ofgem already has the power to request this data² from Shipper Users via an Ofgem appointed agency and therefore it is difficult to understand why UNC 0513 has been raised.

It should be noted that agreeing changes to industry-wide systems is based on approved UNC modifications: there are still a number of Project Nexus UNC modification proposals to be determined. In addition, there is not a published industry-wide agreed complete set of the future file formats.

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¹ Standard Condition 3: General Obligations in Respect of Use of Relevant Transporter's Pipe-Line System Paragraph 2(3)

² Standard Condition 10: Provision of Information to the Authority

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

The timescales for all affected Shipper Users to review the UNC 0513 modification proposal and to effectively engage with an independent agency to produce a Shipper readiness report are very short and appear to have been determined solely by the Gas Transporters.

Shippers' are heavily reliant on the Gas Transporter's agency to produce detailed specifications on all industry-wide agreed Project Nexus system design changes. UNC 0513 provides no detail as to whether these key interactions will be reviewed/ and/or documented.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Shipper User and Gas Transporter agency readiness and preparation is important to ensure effective and timely implementation of Project Nexus. The extent to which UNC 0513 could provide an effective indication of Shipper User readiness for implementation of Project Nexus is limited by the time constraints for an independent agency to conduct its activities, the uncertainty over outstanding UNC modification proposals and the level of effective engagement with the Gas Transporter agency.

UNC 0513 simply seeks to place an obligation for Shipper Users to provide data to an Agency on readiness to deliver the approved UNC 0432 and 0434 modifications and the yet unapproved UNC 0440 modification proposal. It is difficult to ascertain how UNC 0513, if implemented better Relevant Objective f) Implementation and Administration of the Code.

Impacts and Costs:

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

We would expect project assurance to have been factored into the project and already been incorporated in the Project Nexus budget. There has been limited explanation as to why an urgent assessment is needed and why further funding is required. In addition, no cost estimates have been provided by the proposer, only an expectation that it will not exceed an upper limit.

Implementation:

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

No comment.

Legal Text:

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

The legal text for UNC 0513 is incomplete and will not deliver the intent of the UNC 0513.

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.

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We would like to reiterate the importance of ensuring that the industry is able to contribute to the development of suitable, cost-effective system solutions to deliver Project Nexus in a timely manner alongside the Gas Transporter's agency.

Project Nexus driven Shipper User internal systems changes rely on both certainty of the regulatory framework as well as certainty and effective industry engagement of Gas Transporter's agency programme. We believe it is important that these key factors are considered in all project assurance work carried out by independent agencies.