

## Representation – Urgent Modification 0548

### Project Nexus - deferral of Implementation Date

Responses invited by: **31 July 2015**

<b>Representative:</b>	Natasha Ranatunga
<b>Organisation:</b>	EDF Energy
<b>Date of Representation:</b>	31 July 2015
<b>Support or oppose implementation?</b>	Qualified Support
<b>Relevant Objective:</b>	f) Positive

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

UNC 0548 seeks to delay the Go-Live date for Project Nexus from 1 October 2015 to 1 October 2016; it is disappointing that Project Nexus is being delayed given the time invested to meet the original timescales but in any case EDF Energy supports UNC 0548 because completing all Nexus requirements by 1 October 2015 is now no longer achievable for the Gas Transporters and Shipper Users. If the UNC obligations for Nexus applied from 1 October 2015 the UNC would no longer reflect how the industry operates; it would be difficult to administer and understand. Therefore, implementation of UNC 0548 better facilitates Relevant Objective ‘f’.

EDF Energy believes that the one year delay will provide greater confidence to all industry parties that Project Nexus will be delivered successfully and therefore supports implementation.

However, it is important to highlight that UNC 0548 commits parties to adhere to:

- the PwC Implementation Plan;
- deadlines for L2 and L3 market trials entry readiness criteria;
- L2 file structure trials; and
- L3 functional and L4 multi-party market trials.

The above have not been agreed by the Gas Transporters and Shipper Users and will not be in place before UNC 0548 is implemented, if approved. EDF Energy believes that this raises the risk of committing parties to deadlines and criteria that have not been circulated or received full industry assessment or agreement.

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

EDF Energy would welcome a decision by the Authority by 13 August 2015 so that we are able to move our internal programme forward with regulatory certainty although note again the need for assessment and confirmation of the milestones and criteria highlighted above.

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

If UNC 0548 is implemented EDF Energy will incur further costs as a result of an additional 12 months of delivery. The 12 month extension will tie up resources that would otherwise be assigned to new initiatives that EDF Energy may wish to pursue in order to enhance the services we provide to our customers. Whilst this can be mitigated to an extent by assigning resource flexibly it will require an extended focus and management overhead to maintain the programme through to closure at the end of 2016. We also believe that there is likely to be an impact on our delivery of smart metering; the magnitude of this impact is still being assessed.

We are unable to quantify the impact or costs of delays to the implementation of approved UNC modification proposals (e.g. UNC0518S) due to Nexus delays. However despite all these issues EDF Energy believe that the benefit of delaying by one year for full delivery of Nexus on 1 October 2016 outweighs these increased costs and risks.

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

The Industry has not had sight of PwC's Implementation Plan to understand what the systems trials details are. As a result it is difficult to verify whether the legal text is consistent with the description of the trials in PwC's Implementation Plan.

The legal text will commit parties to deliver UNC 0434 between June and July 2016. However, Xoserve has confirmed that 'Retrospective Read functionality' has already been built and is currently in its testing cycle and is anticipated to be ready for the start of L3 Market Trials in February 2016. The proposer confirmed that separating UNC 0434 to highlight different delivery schedule for Retrospective Read functionality and Retrospective Adjustments for Assets and Supply Points (RAASP) would be a significant undertaking and may lead to overly complicated legal text.

Although EDF Energy do not believe that the legal text accurately reflects what has been agreed at industry meetings, we believe that UNC 0548 if implemented, does deliver the intent of the solution which is to deliver a later Nexus date that has been agreed by industry.

### **Are there any errors or omissions in this Modification that you think should be taken into account?** *Include details of any impacts/costs to your organisation that are directly related to this.*

None

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

According to the legal text, procedures to change the dates are set out in the PwC Implementation Plan and may only be changed with the approval of the Authority. At this stage there is no industry agreed PwC Implementation Plan with procedures to change milestones (if required), the entry readiness criteria has not been detailed and it is not clear how the Authority will make changes. It is important that these are determined now with cross-industry support.