

Representation - Draft Modification Report UNC 0710S

CDSP provision of Class 1 read service

Responses invited by: 5pm on 08 October 2020

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	David Mitchell
Organisation:	Scotland Gas Networks and Southern Gas Networks
Date of Representation:	8 th October 2020
Support or oppose implementation?	Comments
Relevant Objective:	<p>d) Positive</p> <p>f) Positive</p>

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

SGN agrees with the principle of this modification. Meter Reading activities in relation to Class 1 Daily Metered sites are currently a Transporter obligation, however as Shippers are the recipient of the service, we support the principle of enabling them to have a greater influence over the service they receive. In addition, SGN notes that the meter reading process for other classes of sites has been subject to competition for a significant period of time, with Class 1 meter reading remaining the only area which has not been opened up to competition.

In developing the solution, it was noted that the volume of Class 1 sites is in decline, which may in future make the service unviable to be undertaken by multiple parties. As such, moving the service to Shippers was discounted in favour of a service managed by the CDSP, which may provide economies of scale and retain the intended competitive benefits.

However, at the time of submitting this consultation response, we do not have visibility of the cost benefit analysis from implementing this modification. As such, while we support the principle of this modification, the full costs associated with the change to the procurement of this process are unknown. For this reason, SGN provides comments rather than support.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

We support the view of the UNC Panel that this modification fulfils the self-governance criteria, however we need to caveat this with the fact that we are yet to see any cost benefit analysis which could ultimately influence the judgement of the UNC Panel.

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

We agree with the proposed lead times in the modification that would see the new service taking effect from summer 2021. We believe that this lead time allows for the novation of the existing contracts and for the CDSP to set up its management of the service.

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

SGN does anticipate potential costs to the business, however we would not expect these to be material. At present these costs cannot be fully assessed as we do not have any visibility of the cost of procuring data from the CDSP for strategic DM sites on our network that we may need to monitor.

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

We are satisfied that the legal text will deliver the intent of the modification.

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

None identified.

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

SGN would like to see a cost benefits analysis undertaken in support of this modification as we are yet to have visibility of the charges of moving this service from the Transporters to the CDSP.