

Representation – Modification UNC 0700 (Urgent)

Enabling large scale utilisation of Class 3

Responses invited by: **5pm on 07 August 2019**

To: enquiries@gasgovernance.co.uk

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

Representative:	Richard Pomroy
Organisation:	Wales & West Utilities
Date of Representation:	30 th July 2019
Support or oppose implementation?	Qualified Support
Relevant Objective:	f) Positive

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

We support the modification as it addresses a likely serious constraint in the UK Link system. Our support is qualified because we think that the solution should have an end date and hence not be enduring. Making the solution enduring means that there is no incentive to restore the current Class 3 functionality. We also believe that the proposed solution will adversely affect UIG compared to the situation were all the reads submitted were used.

We have made some additional comments on parts of the solution in the additional comments section and have one comment in the legal text section.

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

This modification, once amended to address any shortfalls identified, should be implemented as soon as Ofgem make a direction.

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

WWU will not incur any additional costs. These changes and any increase in UK Link capacity required should be entirely funded by Shippers.

We would like to understand the impact of delivering this modification on Xoserve resources available for other work. Modification 0665 is already being implemented quickly for 1st October 2019 and this modification cannot fail to have an impact on the change pipeline or other operational processes.

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

Legal text is being worked on as this is an urgent modification, however we expect that it will be complex with a number of consequential impacts that will need addressing.

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.*

Definition of “Weekly”

There is no definition in the UNC or in this proposal of “Weekly” or “Week”

It is not clear what will happen should the expected volume of reads not materialise. Presumably in that case the CDSP will process increasing numbers of reads held in the staging area for EUC 01 hence the reference to a minimum of 1 read being loaded on a Weekly basis. We note that neither Weekly or Week is defined in the UNC even though in the Business Rules Weekly is capitalised. If Shippers submit reads for each day this will not be a problem but if they only submit a few reads during a month, then the issue of what is and is not eligible to be loaded may arise. For example, if the week runs Sunday to Saturday then a read on a Saturday will be in one week and a read on a Sunday would be in another week and both would be loaded but reads for Friday and Saturday would be in the same week and only one would be loaded. If the Shipper submitting the reads regards a week as ending on a Friday it would argue that both the Friday and Saturday reads should be loaded as they were in different weeks. To avoid disputes this issue needs to be resolved.

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

We note that this is intended to be enduring rather than transitional text with the provisions being temporary with an end date and as such the arrangements could endure. Given that not loading reads that are submitted is not optimal we would hope that in due course Shippers may fund additional capacity to process Class 3 reads; however, as the proposed modification is enduring there will be no requirement to do this to meet Code obligations. Making the modification time limited with an end date will either require a further modification to amend or remove the end date or will drive a need to invest in new capacity. We also assume that if the reads were processed then UIG would be lower compared to them not being processed so given the importance of UIG we would expect that the modification would not be enduring.

With regard to the Class transfer process (Business Rule 5) we accept that the move from Class 3 to 4 is the issue at hand but it may be worth making this a more general provision at least between Class 3 and Class 4. It may be that if the AUGE factors change again that there is a migration back from Class 3 to Class 4 and this proposed amendment would avoid the need for a further modification.

We are sympathetic to the idea that only Supply Meter Points with a smart meter or Automated Meter Reading should be able to migrate to Class 3 but recognise that in theory the Class 3 read requirement could be met by manual reads though it is difficult to see how this would be cost effective particularly for EUC 01.

Based on current Class 3 read performance it seems likely that the volumes of reads will not reach the level predicted due to some Shippers not submitting sufficient reads and there currently being no method of enforcing compliance with the Code obligations. As the move from Class 4 to Class 3 seems to be driven by commercial considerations some Shippers may also take a very commercial view of the costs and benefits of submitting reads. We recognise that the CDSP cannot design systems based on the assumption that Shippers will not meet Code obligations.