

Vanessa Sturman
Wholesale Market Policy
Ofgem
9 Millbank
London
SW1P 3GE

29 September 2014

Dear Vanessa,

Consultation on Modification of UK law and licences to comply with EU definition of Gas Day

Thank you for the opportunity to comment on the above consultation.

Based on the government (and subsequently Ofgem) interpretation of the legislation and legal position it would appear that we are compelled to make a number of complex changes to comply with the EU definition of gas day. At the distribution level these changes are likely to incur significant costs and deliver no practical benefits. This is obviously a very disappointing outcome for UK customers.

In collaboration with the NTS and other GDNs we are currently working through the detailed impacts. The gas day is a fundamental component of a number of the systems used by our system control function therefore the impact is likely to be significant. The 5 most impacted systems are:

- DNCS business applications
- DNCS demand management
- DNCS SCADA
- Offtake DANINT software
- Forecaster

All of these systems are interlinked and dependent on each other. The DNCS business applications, demand management and SCADA are directly and indirectly linked to a number of NTS systems. So if changes are required in the relevant NTS systems we must follow to maintain the integrity of the whole operation. The definition of gas day in many cases is hard wired into mimics, algorithms, scripts, schedules, files and the transactions, reports and functional processes underpinning each system.

Our responses to the specific questions in the consultation can be found in the attached appendix. If you wish to discuss any aspect of our response please do not hesitate to give me a ring.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Parker', written in a cursive style.

Stephen Parker
Regulation Director

Tel 07883 099609
e-mail sparker@northerngas.co.uk

Appendix

Question 1: *Do you agree that the identified legislative amendment to the definition of gas day in the GB Regulations is sufficient to align GB legislation with the EU legislative definition of gas day?*

Yes.

Question 2: *Do you agree that amending the Directions is necessary following any change to the definition of gas day in the GB Regulations?*

This would appear to be the case.

Question 3: *Do you consider that any other GB legislative amendments are necessary to comply with the EU definition of gas day?*

None that we are aware of.

Question 4: *Do you agree that the identified modification to the gas shipper licence is sufficient to comply with the EU legislative definition of gas day?*

No comment.

Question 5: *Do you agree that the identified modifications to the gas transporter licence are sufficient to comply with the EU legislative definition of gas day?*

Yes.

Question 5(a): *With regard to the identified changes to the definition of “Formula Year”/“formula year” and associated time periods in SSC A3(1) and Special Condition 1A.4 of the gas transporter licence, do you agree with the changes proposed to remain consistent with the CAM/BAL gas day definition?*

We have not identified any impact from making this change but it does appear contrary to the principle of only making those changes that are absolutely necessary.

Question 5(b): *With regard to Special Conditions 3D.35 and 3D.36 of the gas transporter licence, do you agree with our reasons for not proposing any changes?*

No comment.

Question 6: *Do you agree that no modifications to the gas interconnector licence are necessary to comply with the EU legislative definition of gas day?*

No comment.

Question 7: *Do you agree that no modifications to the gas supplier licence are necessary to comply with the EU legislative definition of gas day?*

No comment.

Question 8: *Do you consider that any additional licence modifications are appropriate to comply with the EU legislative definition of gas day, eg any references to “working day” or “business day”? Please include any additional changes you have identified in your response.*

We haven't identified any further changes that are necessary.