

Representation

Draft Modification Report

0450 0450A 0450B - Monthly revision of erroneous SSP AQs outside the User AQ Review Period

Consultation close out date: 12 December 2013

Respond to: enquiries@gasgovernance.co.uk

Organisation: SSE

Representative: Mark Jones

Date of Representation: 12 December 2013

Do you support or oppose implementation?

0450 - Support

0450A - Support

0450B - Support

If either 0450, 0450A or 0450B were to be implemented, which would be your preference?

Prefer 0450

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

SSE believes that implementation of any of these 3 modifications would improve accuracy in gas settlements as they will all allow incorrect AQs to be corrected to more accurate levels. SSE prefers 450 over 450A because, whilst we have sympathy with the aim of 450A, it does not allow amendments to all meter points that are due to change of supplier because it only allows amendments to those gained between 1st September and 31st May. Meter points gained outside of these dates with erroneous AQs may not be able to be amended during the AQ review because it may not become apparent that an AQ is erroneous until the next actual read is obtained, which may be some months later. Modification 450A is also more complicated and would be more costly to implement than 450, for a process that will have a very limited life due to the implementation of Project Nexus.

We prefer 450 over 450B because, whilst they are almost identical modifications, 450 allocates the monthly amendments in a fairer manner according to market share and does not result in a situation where more amendments are allocated to shippers than they have meter points, resulting in a situation where the full allowance of amendments cannot be utilised each month which would be the case under 450B.

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

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No.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

SSE agrees with the proposers of all 3 modifications that implementation would impact relevant objective d) positively as all would secure effective competition between shippers and suppliers because correction of erroneous AQs will lead to a more accurate allocation of costs across the market. Modification 450 would have the greatest positive impact on this relevant objective as it would allow the potential for the maximum number of erroneous AQs to be corrected each month.

Impacts and Costs:

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

SSE would incur a low level of implementation and ongoing costs.

Implementation:

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

We would like to see one of these modifications implemented as soon as possible.

Legal Text:

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

Yes.

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.

No.