

Representation

Draft Modification Report

0451V 0451AV: Individual Settlements For Pre-Payment & Smart Meters

Consultation close out date: 08 January 2014

Respond to: enquiries@gasgovernance.co.uk

Organisation: RWE npower Ltd.

Representative: Steph Shepherd

Date of Representation: 07 January 2014

Background to this consultation

The consultation is aimed at establishing if the content/effect of the variations have caused you to change a view that you previously expressed, or to take a view that you had not previously considered.

Do you support or oppose implementation?

0451V - Not in Support

0451AV - Not in Support

If either 0451V or 0451AV were to be implemented, which would be your preference?

Prefer **0451AV**

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

Our original decision to oppose the modification still stands. We do not support the mod as the benefits case for the change is not viable, and it does not benefit the end consumer. The analysis and benefits case have not been developed enough to justify the cost of the change, especially as this is a short term solution, prior to Nexus. We believe that the energy market benefit's from a range of smaller suppliers being able to differentiate on service and price. However, for the market to remain competitive Suppliers must actively manage the risks and costs associated with their market sector.

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

No

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Version 1.0

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Relevant Objectives:

How would implementation of these modifications impact the relevant objectives?

The relevant objective of 'securing effective competition' would be met.

Impacts and Costs:

What analysis, development and ongoing costs would you face if either of these modifications were implemented?

The costs given by Xoserve for the development and ongoing support are high for a short term change. User Pays arrangements do not acknowledge the proportion of PP Customers that a Shipper has and therefore a bigger proportion of the costs will be met by those who will not get the most benefit.

Implementation:

What lead-time would you wish to see prior to either of these modifications being implemented, and why?

Consideration will need to be given to the actual time that the new profile is applied, and charged to Shippers.

It is assumed that the over allocation (winter period) will be re-paid to shippers before the under allocated (summer period) is recovered. If the mod cannot be implemented, (winter first) this could subject Shippers to higher costs initially.

Legal Text:

Are you satisfied that the legal text and the proposed ACS (see www.gasgovernance.co.uk/proposedACS) will deliver the intent of the modifications?

Yes, the revisions that have been made to the text are appropriate.

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