

Representation

Draft Modification Report

0451 0451A (Urgent): Individual Settlements For Pre-Payment & Smart Meters

Consultation close out date: 09 September 2013

Respond to: enquiries@gasgovernance.co.uk

Organisation: RWE npower Ltd

Representative: Stephanie Shepherd

Date of Representation: 9th September 2013

Do you support or oppose implementation?

0451 - Not in Support

0451A - Not in Support

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

Prefer 0451A

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

RWE npower is not in support of the modification as we believe that making changes to the allocation and costs of gas already purchased, sets a dangerous precedent of retrospectively changing market rules. This could lead to uncertainty for Participants and therefore a perception of increased risk which could increase costs.

The grounds for raising the modification are based on the evidence of a small sample of PP customers in a particular LDZ. It is an assumption that this result would be duplicated across all LDZ's. The data which Xoserve and the Proposer have provided has shown that the load profile of a Pre Payment Customer is different to that of the credit meter customer, although the overall consumption is virtually identical. However, it is the Suppliers responsibility to ensure that the tariff that it offers to its Customer is reflective of its consumption pattern, and hedge the market risk.

In addition, there is no evidence to suggest that this mod will provide a better deal for Customers, but merely create a route for Suppliers to create a credit at the expense of its credit meter Customers.

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

New mods raised under the IGT UNC; (iGT054 - Alternative Profile for Pre-Payment Meters and 054A – Alternative Profile for Pre-Payment Meters, (ALT)), should be taken into consideration,

0451 0451A
Representation
10 September 2013
Version 1.0
Page 1 of 2
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Relevant Objectives:

How would implementation of these modifications impact the relevant objectives?

The mod would provide a first step towards individual meter point settlement.

Impacts and Costs:

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

If the modification were to be implemented, as a Supplier we would not face any significant development cost. However, through the development group Xoserve have suggested that there would be a monthly transactional charge for submitting MPRN's into the process, whereby they can be apportioned the proposed EUC1 subset/profile.

As this potential transactional charge is unknown, we are unable to establish if there is a cost-benefit in submitting the data.

Also, the estimated development cost (300-500K) of this change is high considering that the solution has a 'shelf life' (pre Nexus).

Implementation:

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

I believe that a minimum of 6 months is preferable, subject to Xoserve's development timescales.

New mods raised under the IGT UNC; (iGT054 - Alternative Profile for Pre-Payment Meters and 054A – Alternative Profile for Pre-Payment Meters, (ALT)), should also be taken into consideration, as this could present a staggered implementation for Shippers if the implementation dates are not aligned.

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?

Due to the urgent nature of the mod, it is not possible to comment on legal text. However, I believe that the business rules which have been produced collaboratively through the workgroup are an accurate interpretation of the intent of the modification.

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.

The original modification was given urgent status under the UNC; however the iGT equivalents have not been classed as urgent.

0451 0451A

Representation

10 September 2013

Version 1.0

Page 2 of 2

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