

MODIFICATION PROPOSAL

SHORT TITLE: Cancel Confirmation facility for Smaller Supply Points

DATE: 6 April 1998

URGENCY: Non-Urgent

JUSTIFICATION:

Modification Proposal 0150 'Objection to Domestic Confirmation by Confirming Shipper' was raised by Beacon Gas on 17 May 1997, proposing a facility whereby Suppliers could object to their own confirmation provided agreement has been reached with the End Customer to do so.

The reason for the proposal was that experience within the domestic market had shown that a number of customers, for a variety of reasons, signed contracts with more than one Supplier or having signed one or more contracts, changed their mind and decided to stay with their original Supplier.

The July 1997 Modification Panel referred the proposal to Network Code Review Group 0155 'Review of SPA Timescales'.

The Review Group subsequently confirmed that, if an End Customer wishes to cancel their contract with a Supplier (Supplier B) after a confirmation has been made and accepted by Transco, then Supplier B must request the incumbent Supplier (Supplier A) to object via their Shipper. The preferred Supplier (Supplier C) must then submit a confirmation via their Shipper after the original confirmation has lapsed.

The Review Group acknowledged that utilising the objection process to facilitate prevention of a Supply Point transfer in the above circumstances did not always prevent End Customers transferring Suppliers against their wishes.

CONSEQUENCE OF NOT MAKING THIS CHANGE:

It will not be possible to implement a specific recommendation of Network Code Review Group 0155 'Review of SPA Timescales'.

AREA OF NETWORK CODE CONCERNED:

Principal Document Section G Paragraph 2.8

NATURE OF PROPOSAL:

Following a detailed analysis of the issues, Network Code Review Group 0155 'Review of SPA Timescales' supported the principals of Modification Proposal 0150, but recommended the raising of this Modification Proposal to introduce a cancel confirmation facility for any domestic confirmation up to the end of D-8, to the Network Code. This was considered to be a more effective way of meeting the original objectives. The provision of the facility will involve the development and implementation of new functionality to the UK-Link Supply Point Administration system (SPA).

In order to mitigate any threat of 'gaming' occurring, Review Group 0155 in addition determined that all cancelled confirmations should be periodically reported to all Shippers and to Ofgas. It is therefore proposed that an appropriate facility is introduced to support this requirement. Two monthly reports will be produced, an Ofgas version detailing Shippers cancelling confirmations on a ranked basis and a Shippers version with a similar content but without individual Shippers identities being revealed.

It is also proposed that a further security measure in the event of cancellation should be the notification to the incumbent shipper of retained responsibility. This will include a cancellation reason code and identification of the confirming/cancelling shipper.

PURPOSE OF PROPOSAL:

To reduce the number of domestic customers transferring Supplier against their wishes.

IDENTITY OF PROPOSER'S REPRESENTATIVE: Sharon McLaughlin

PROPOSER:

SIGNATURE:

John Lockett

POSITION:

COMPANY:

Commercial Manager - Network Code
Transco

MODIFICATION PANEL SECRETARY'S USE ONLY

Reference Number: 227

Date Received: 6/4/98.