

Representation

Draft Modification Report

0424: Re-establishment of Supply Meter Points – prospective measures to address shipperless sites

Consultation close out date: 02 November 2012
Respond to: enquiries@gasgovernance.co.uk
Organisation: National Grid Transmission
Representative: Dave Corby
Date of Representation: 02 November 2012

Do you support or oppose implementation?

Neutral

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

National Grid Transmission (NGT) opposes UNC Modification 0424 on the grounds that the cost apportionment proposed in section 5 of the Draft Modification Report, Impacts and Costs, states that the costs to implement the Proposal will be borne by all Transporters. Throughout the developmental discussions and analysis for this Modification no benefits to, or impacts on, NGT has been identified by the Proposer due to there being no "shipperless" sites directly connected to the NTS. The shipperless site processes are therefore fundamentally a DN to Shipper/Supplier process and therefore we fail to see any justification for the proposed costs apportionment and do not agree that any costs should be attributable to NGT.

However we agree with the principle of the Modification that it is appropriate that the relevant transporter should seek to recover the cost of visiting "shipperless" sites and the gas consumed from the most appropriate shipper. However we also believe that to an extent the Proposal legitimises the shipper/supplier actions (or non-action) which generates "shipperless" sites and as such inadvertently perpetuates (and to an extent legitimises) a recognised inefficiency of the current regime, which we consider is contrary to the Relevant Objectives of securing effective competition between Shippers and between Suppliers and the efficient operation of the relevant transporter's system.

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

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20 September 2012

Version 1.0

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No.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

NGT agree that the Modification may have a positive benefit on Relevant Objective (d) "Securing of Effective Competition Between Relevant Shippers".

NGT does not agree that this Modification has a positive benefit to Relevant Objective (f) "Promotion of Efficiency in the Implementation and Administration of the Code" as the Proposal's business rules introduce increased complexity in identifying Users relevant to Withdrawn Supply Points.

Furthermore, whilst we agree with the principle of seeking to direct costs back to those who could have prevented them from occurring, by creating a process to effectively attribute costs to illegitimate gas flows as opposed to positively seeking to prevent them, this modification inadvertently offers some legitimacy to a recognised inefficiency of the current regime, which we consider is contrary to the Relevant Objectives of securing effective competition between Shippers and between Suppliers and the efficient operation of the relevant transporter's system.

Impacts and Costs:

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

None.

Implementation:

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

None.

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 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.