

Representation

Draft Modification Report

0422: Creating the permission to release data to Meter Asset Provider organisations

Consultation close out date: 08 February 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: SSE
Representative: Anne Jackson
Date of Representation: 08 February 2013

Do you support or oppose implementation?

Not in Support

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

SSE are concerned that additional costs are being introduced into the Industry because suppliers are not following RGMA processes and / or not ensuring that service providers (Suppliers' MAMs) perform appropriately under their contracts. It is not clear why this solution, at additional cost, has been determined to be the remedy to the problem of MAPs not receiving revenue for their assets, rather than ensuring that participants perform appropriately within the current governance.

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

The existing processes for moving meter information and information associated with it is through the RGMA flows governed under the SPAA. Recent changes have been implemented in the SPAA to remedy the issue of data not being provided or updated to address the issue of MAPs not receiving revenue for their meters. However the elapsed time between these mods and this mod is not sufficient to determine whether these changes have made a material difference.

We are concerned that through suppliers' poor performance in adhering to RGMA processes and managing their MAMs to do similarly, costs are being shifted on to other participants when sites are acquired through the change of supplier process. This is having the effect of distorting competition. This mod will not stop this, but will add additional costs in order to ensure that MAPs obtain their revenue. We would prefer a solution that focuses on the poor performance, so that costs remain with the appropriate party.

Whilst we accept that measures would be in place to try to ensure that relevant MAPs have a right to the information they are requesting we are concerned that the legal drafting indicates that the MAP will be acting in the 'users' name. As a shipper with no immediate relationship with MAPs this solution cannot be supported legally. There is no governance over MAPs and if a MAP behaves inappropriately (confidentiality aside) the shipper will have no route for redress with that party.

The mod will enable MAPs to gain access to the current supplier's name and the current MAM's name. It has not been made clear how the MAPs plan to use this information. If the MAP chooses to contact the supplier this will place an additional administrative burden to respond on suppliers. Suppliers are required to make arrangements with a MAM for their meters. The defined gas industry processes do not allow for or expect MAPs to make direct contact with the supplier. If participants wish to change this then we would prefer that the Industry governance was amended appropriately to efficiently develop and amend processes.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We believe that this mod will impact relevant objective

d) Securing of effective competition:

(i) between relevant shippers; (ii) between relevant suppliers;

However it is not clear to us whether this would be in a positive way overall or a negative way.

We believe that additional costs will be added into the process and that these will fall on suppliers ultimately and that some risk will be placed on shippers. We believe that MAPs may be able to secure some revenue but only for the period of tenure of the current supplier and not retrospectively.

Additionally there is no incentive to improve the current 'official' processes and these may be further neglected.

Impacts and Costs:

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

We have some evidence that where the MAP has the identity of the supplier, MAPs will invoice suppliers directly. To pay these invoices and depending on the volumes of invoices received, we would have to build systems to support the process to validate the MAP invoices and identify the MAMs from whom credits will be required. Asset charges will have been incorporated within the MAM charges. The cost of this should not be underestimated.

Implementation:

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

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?

The legal text implies that the MAP is acting on behalf of the 'registered user'. MAPs and shippers have no association and while some provision to mitigate the risk to shippers is made for a breach of confidentiality, this does not cover all risk.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that you believe should be taken into account or you wish to emphasise.