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15th January 2008

Re: UNC Modification Proposal 0172 “Transporter Obligations Pertaining to Void and Vacant Sites”

Dear Julian

Thank you for the opportunity to comment upon this Modification Proposal, the implementation of which WWU **does not support**.

1. The Modification Proposal

The Proposer details that until such time as a User withdraws from a meter point, transportation (capacity based) charges still have to be paid to the relevant Transporter. This arrangement is not disputed by the Proposer and in their own Representation letter clearly state that they sometimes wish to isolate a meter point for commercial purposes but remain the Registered User and incur such charges. They also state that the proposed obligation is particularly important as they, as a domestic supplier, may not be aware as to whether or not a domestic site has been demolished particularly if they have been unable to establish contact with the resident for a significant period of time.

In discussions at Distribution Workstream we have attempted to establish the justification for such a ‘commercial’ decision to be taken, as we can see no valid reasons why a User would isolate a meter and gladly continue to incur Transportation charges which, presumably, are then being paid for by customers in general. We also do not feel it appropriate, as a Gas Transporter, to be used as a safety net when such a commercial decision has been taken. If a User wishes to retain ownership of such a meter point they should also put in place the appropriate mechanisms to trigger the timely withdraw from the site when it is necessary.

We agree with the Proposer that under the Building Act 1984 we should be informed of any building that is due to be demolished. This process is in place to allow us to disconnect the gas supply from the property to allow its safe demolition. However, service disconnections occur for a number of reasons, not just when a building is being demolished. The Proposer has focused on demolitions whereas the situation they describe could occur on other occasions.

24 hour gas escape number
Rhif 24 awr os bydd nwy yn gollwng

0800 111 999*

*calls will be recorded and may be monitored
caiff galwadau eu recordio a gellir eu monitro

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We fully support the principle that the Supply Point Register should be kept up to date and this is key to ensuring charges are targeted and calculated accurately. Following any disconnection that we carry out the Supply Point Register is updated and the meter point status of such a site will be set to 'dead'. It is important to clarify that for each meter point there are two status flags; one for the service and one for the meter. The Proposer is incorrect in their Representation letter where they state that "an isolated meter point is not a dead one". xoserve, as the Transporter Agent, makes available a monthly report to Users detailing their registered portfolio of meter points that have a status of 'dead', this covers all disconnected services regardless of whether the disconnection related to the demolition of a property or not. WWU also currently inform the Registered User, via e-mail, of any disconnection that is carried out at a meter point within their portfolio. We believe that these measures already satisfy, and go further than, the obligation that the Proposer seeks to introduce.

The Proposer also states that the relevant Transporter should report any disconnection that they are aware of, even if this was not carried out by them. As mentioned previously, we do believe the accuracy and maintenance of the Supply Point Register is paramount to the industry and there are already provisions with the Uniform Network Code to deal with this.

UNC Transportation Principal Document Section G 1.9.8 it states:

Without prejudice to any other provision of the Code, Users and the Transporters agree:

- (a) to cooperate with a view to ensuring that the information contained in the Supply Point Register is at all times as accurate as possible; and*
- (b) Each to use reasonable endeavours to secure that it becomes, aware, insofar as it might reasonably be expected to become aware, of any inaccuracy in the information contained in the Supply Point Register, and to inform (in the case of a User) the Transporter or (in the case of the Transporter) the Registered User of such inaccuracy.*

By updating the Supply Point Register following, or discovering, a service disconnection, making portfolio reports available via xoserve and sending e-mail updates to Users clearly satisfies the above UNC obligation and negates the need for the implementation of this Proposal.

2. Extent to which implementation of the proposed modification would better facilitate the relevant objectives

We agree with the Proposer that this Proposal would lead to better cost allocation as a result of action to withdraw from a meter point, however, we believe this would be better facilitated if User were to withdraw from the site when isolating or removing the physical meter. As mentioned previously, we can see no benefit commercially, or to customers (in general) for Users to retain ownership of sites that are no longer offtaking gas.

4. The implications for Transporters and each Transporter of implementing the Modification Proposal, including:

b) Development and capital cost and operating cost implications



We believe we are already providing the requested information to Users, however, to specifically identify disconnections that are related to notifications under the Building Act 1984 would result in costly changes to processes and procedures – and seems to be unnecessary.

10. Analysis of any advantages or disadvantages of implementation of the Modification Proposal

As the information that the Proposer is requesting is already provided we do not believe that the implementation of this Proposal has any advantages. We do agree with the Proposer that as a consequence of implementation there will be additional, and in our view unnecessary, obligations placed upon Transporters where users having made conscious commercial decisions that are out of our control.

If you have any questions relating to this Representation please do not hesitate to contact me.

Yours sincerely

Simon Trivella
Commercial Analyst
Wales & West Utilities