

Representation

Draft Modification Report

0369/0369A: Alternative Re-establishment of Supply Meter Points – measures to address shipperless sites

Consultation close out date: 03 February 2012
Respond to: enquiries@gasgovernance.co.uk
Organisation: **E.ON UK**
Representative: Brian Durber
Date of Representation: 03 February 2012

Do you support or oppose implementation?

0369 – Qualified Support

0369A - Support

If either 0369 or 0369A were to be implemented, which would be your preference?

Prefer **0369A**

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

In support of the introduction of competition in gas metering via the Review of Gas Metering Arrangements 2004, measures were introduced into Network Code to attempt to ensure that there was always a shipper responsible for charges where a meter remained capable of flowing gas. These included allowing a shipper to withdraw supply point ownership and hence responsibility for charges without physical removal of the meter. These measures served their purpose at the time and allowed some flexibility in terms of reducing the cost of meter removal and subsequent replacement, particularly where gas was not required for short periods of time.

However the current situation sees a large and growing population of supply points where the same meter has remained connected and usable or has been reconnected and gas is being used without a shipper being registered. Although the last registered shipper is technically responsible for charges, these charges can only be applied if a live registration is in place for the relevant period.

We believe that necessary controls are now required to ensure that where gas is capable of being offtaken there must always be a registered shipper and that where the responsible shipper fails to do so the transporter should put in place the registration on their behalf. This will allow all associated gas and transportation costs to be targeted at the responsible shipper rather than socialised as at present.

UNC 0369 & 0369A should introduce a continuous registered 'live' status for supply points that are capable of flowing gas, this means that a deemed supply contract can exist and a consumer can correctly be charged for gas used. Aside from appropriate allocations of costs, we believe that these extra controls will help to reduce the potential for theft and promote safety.

UNC 0369A incorporates the measures proposed by 0369 but allows an exception for customer owned meters. It may seem possible for a shipper/supplier to include within their supply contract a provision whereby the customer will reimburse the supplier for all associated charges where a meter has been disconnected but left on site and is subsequently re-connected. In practice on large I&C premises the disablement may be performed by a simple 'blanking' of the meter inlet which is likely to reduce engineering costs. Re-establishment of supply may be relatively simple and may take place after change of tenancy. Where the supplier has control of the meter (usually via a MAM) it may instruct the MAM to either remove the meter or render it disabled. It may have a provision in its supply contract with the customer to pass on these costs. However with a customer owned meter it would seem unlikely that similar controls could in practice be employed. A customer, for legitimate reasons, may want the supply isolated but realise the value of their meter asset at some point in the future. It may be possible to include a supply agreement provision that left the customer responsible for all costs should the meter become re-enabled at some point in the future, however we see difficulties in imposing such a clause after the supply contract had terminated.

Although this is an example of a large I&C customer, a similar situation could pertain to a smaller commercial or domestic customer where it would not be possible to impose bespoke supply contract provisions to protect the supplier. These may be small in number but an alternative solution to that proposed by 0369 may be appropriate.

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

0369/0369A

Representation

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Version 1.0

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Relevant Objectives:

How would implementation of either of these modifications impact the relevant objectives?

Impacts and Costs:

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

Implementation:

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

Legal Text:

Are you satisfied that the legal text will deliver the intent of each 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.