

Representation

Draft Modification Report

0392 – Amend Annex A of the CSEP NExA table by replacing the current version of the AQ table

Consultation close out date: 16 November 2011
Respond to: enquiries@gasgovernance.co.uk
Organisation: EDF Energy
Representative: Naomi Anderson
Date of Representation: 14 November 2011

Do you support or oppose implementation?

Support

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

The AQ values in the CSEP NExA table have not been reviewed since 2007. This has resulted in a significant difference between these AQ values and current average consumption levels according to data produced by the UNC Demand Estimation Sub-Committee. Implementation of this proposal will facilitate more accurate estimation of the volume of gas off-taken at the CSEP and of gas allocated to Shippers on the pipeline. In turn, this will improve accuracy of costs allocated between Shippers.

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

None

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Implementation of this modification will improve the estimation of gas off-taken at the CSEP and gas allocated between Shippers on the pipeline.

The current AQ values contained within the CSEP NExA were last amended in 2007. Since this time there have been significant changes in the energy efficiency requirements contained within the building regulations, as well as a greater focus on energy efficiency by consumers. The CSEP NExA has not been updated to reflect this change in behaviour and so it appears appropriate that they are updated.

The AQ values in the proposed CSEP NExA table are reflective of current average consumption and will therefore more accurately estimate the consumption of newly connected sites. Consequently, it will result in improved allocation of energy and costs between Shippers. The accurate allocation of costs is widely recognised as having a beneficial impact on competition and so would facilitate A11.1 (d).

Impacts and Costs:

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

Implementation will not result in any ongoing costs for EDF Energy. More accurate AQ values will result in increased accuracy of costs with regards to CSEP off-take. It will also result in fairer gas transportation costs on IGT pipelines as the initial AQ assigned to newly connected sites is a key determinant of future costs under Relative Price Control.

Implementation:

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

We would wish to see the new CSEP NExA table in place for 1st January 2012 in line with the scheduled IGT price change or alternatively on 1st April 2012 when the Distribution Networks change their prices.

Legal Text:

Are you satisfied that the legal text 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.