

## Further Consultation Representation

### Final Modification Reports

#### **0395 0398: Limitation on Retrospective Invoicing and Invoice Correction**

**Consultation close out date:** 10 July 2012

**Respond to:** enquiries@gasgovernance.co.uk

**Organisation:** **ScottishPower**

**Representative:** Marie Clark

**Date of Representation:** 00 July 2012

*Please provide comments on the revised Final Modification Reports available at:  
[www.gasgovernance.co.uk/03950398](http://www.gasgovernance.co.uk/03950398)*

#### **Do you support or oppose implementation?**

**0395** Support

**0398** Support

Preference Mod 395

**Please make clear any differences you perceive between 0395 and 0398.**

Both Modifications seek to reduce the length of time that the current Gas Settlements window remains open. Analysis recently produced by Xoserve estimates that 1.85% of energy remains un-reconciled after 5 years. All market participants require to be appropriately incentivised through UNC obligations to ensure the timely submission of valid meter readings and the maintenance of data accuracy. Adherence to these standards should result in energy reconciliation adjustments occurring earlier in the settlement process. The UNC clearly sets out the obligations relating to meter reading performance levels and submission intervals. In addition to this, further statutory obligations exist in relation to the timing and provision of information relating to meter inspections and must reads. Collectively, if these obligations are adhered to there should be no requirement for the settlements window to extend beyond a period of 3 years. Improvements in data quality will permit more AQ values to be recalculated which in turn will improve gas allocations and transportation charging arrangements between market sectors. We would encourage Gas Transporters to monitor Shipper adherence to UNC meter reading performance levels with poor performance reported directly to UNC signatories and Ofgem.

With such extreme pressure on Shipper costs, it can no longer be permitted for the settlement window to remain open beyond a reasonable period. For that reason we have stated a preference for Mod 395. We are therefore of the opinion that a reduction to the period in which retrospective invoicing and correction can be applied is a positive step and will assist in reducing the risk of uncertainty to Shipper costs particularly within the SSP market sector.

We do have concerns in relation to the volume of Supply Meter Points that remain un-reconciled on CSEPs. We believe that full engagement of all responsible parties is required in an effort to resolve data inconsistencies between portfolios held by Shippers/iGTs/Large Transporters prior to the introduction of Mod 395 or Mod 398. This exercise will also support the introduction of an IGT Single Service Provision. Sufficient time should be allowed for both the data cleansing exercise and to allow any necessary reconciliation adjustments to occur.

**Do you have any comments or issues you wish to record against the additional Workgroup considerations?**

None

**Do you have any further information that can be provided in response to Ofgem's questions?**

*Please refer to Section 12 of Final Modification Report*

None

**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.*

None

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

None