

Representation

Draft Modification Report

0403: EU Third Package: 21 day switching with flexible objection period

Consultation close out date: 02 March 2012

Respond to: enquiries@gasgovernance.co.uk

Organisation: Scotland and Southern Gas Networks

Representative: David Mitchell

Date of Representation: 02 March 2012

Do you support or oppose implementation?

Qualified Support

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

SGN supports this modification as it allows the UK gas industry to become compliant with current EU legislation. We believe that this modification will make it easier for consumers to switch suppliers which in turn will be good for competition. We believe that this modification will have less of an impact on the industry than Mod 0396 as the D-7 confirmation period remains unchanged and there are no anticipated changes required to Gemini as a result of the confirmation window remaining unchanged. The current objection period is only impacted when there is a bank holiday therefore disruption to this process is limited, however some businesses may continue to operate over bank holiday periods thus limiting disruption to the objection period.

SGN wish to offer qualified support for this modification as whilst we support the premise of the change we do not support the proposed User Pays cost allocation.

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

No

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

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We believe that this Modification supports relevant objective d) as it will promote competition in the gas industry. This Modification also supports relevant objective g) as it will ensure the industry is compliant with EU regulation.

Impacts and Costs:

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

We do not support the proposed User Pays cost allocation within the modification as this change cannot be seen as a transportation related activity and so Transporters should not be subject to any costs.

SGN supports Ofgem's view that the costs associated with this change should be borne by Shippers as network operators have no mechanisms to recoup costs associated with such a change.

Implementation:

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

None

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?

Yes

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.

SGN prefers this modification to 0396 as we believe that there will be a lesser impact on Xoserve as the system changes required to implement this modification are simpler leading to a reduced implementation timescale.