

Representation

Draft Modification Report

0410 and 0410A: Responsibility for gas off-taken at Unregistered Sites following New Network Connections

Consultation close out date: 07 June 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: RWE npower
Representative: Richard Vernon
Date of Representation: 06 June 2013

Do you support or oppose implementation?

0410 – Support

0410A – Support

If either 0410 or 0410A were to be implemented, which would be your preference?

Prefer **0410**

If either 0410 or 0410A or both were to be implemented, which would be your preference?

Prefer both **0410** and **0410A**

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

Currently, there are multiple weak points within the industry new connection process. These weak points lead to MPRNs being created without a registered Shipper and therefore no payments are made into the industry process. This creates a cost that is unfairly paid for by other Customers through though the Reconciliation by Difference (RbD) mechanism and Allocation of Unidentified Gas (AUG) process. Both modifications address entirely separate but

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critical weak points within the current process. Both are complemented by recent proposed changes to the MAMCOP¹.

We believe that 0410A is not an alternative to modification 0410 as both could be implemented independently of each other. Both modifications could reduce the number of unregistered sites. We support both implementation of both however 0410 better addresses the issue of new unregistered sites being created by industry processes, particularly new connections by 3rd parties of which Shippers have no knowledge.

Modification Panel Members have indicated that it would be particularly helpful if the following question could be addressed in responses:

Q1: Do you believe that both Modifications could be implemented, such that both the 0410 and 0410A requirements are introduced to the UNC?

Yes.

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

No.

Relevant Objectives:

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

Both 0410 and 0410 will both reduce the volume of unregistered gas consumption which leads to unallocated gas costs for all Shippers. Reducing the volume of unallocated gas will increase correct cost allocation and therefore improve competition between Shipper / Suppliers:

d) Securing of effective competition:

(i) between relevant shippers;

(ii) between relevant suppliers; ...

Impacts and Costs:

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

There will be little impact on our processes and systems as we do not request

¹ Ensuring Gas Supply Contracts Are In Place Before Carrying Out a Meter Installation

MPRNs until a signed contract is in place.

Implementation:

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

As soon as possible given the minimal impact.

Legal Text:

Are you satisfied that the legal text and the proposed ACS (see www.gasgovernance.co.uk/proposedACS) will deliver the intent of these modifications?

We have not reviewed the legal text.

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 that you wish to emphasise.

No.