

## 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:** Squire Energy Limited (UIP and M.A.M)

**Representative:** Mark Halsey - Director

**Date of Representation:** 6<sup>th</sup> June 2013

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

**0410** – Neutral

##### Comments

Need to know more re GT “control measures” put in place to prevent the flow of gas prior to Shipper registration.

GT have stated that if this is implemented they would initiate:

“Potential action to mitigate against liabilities from energy charges may include seeking to restrict authorisation of new connections without a valid supply contract first being in place. It’s worth noting that this measure would have the backing of the Shippers and Suppliers”.

This can be viewed as an anticompetitive and threatening behaviour typical of dominant industry players only content with their own issues and not considering the interests in the wider competitive market and End Users/Consumers.

For this sort of statement we feel our only response to 0410 can be “Neutral” as we are unwilling to endorse something that could end up to the detriment of the market and smaller players (by forcing GT’s to carry out their “potential action”.

**0410A** - Neutral

##### Comments

Does not recognise the practical needs that some meters need to be physically fitted in complex, large sites early in the build cycle

0410/0410A  
Representation

---

07 June 2013

---

Version 1.0

---

Page 1 of 5

---

© 2013 all rights reserved

by the Developer who has no interest at that time re gas contract as he is not the End User.

If a meter is needed early in the build cycle (i.e. whilst building the meter room within the basement of a tower block 2 years before build is finished and 2 years before gas is actually needed) can the Gas Supplier set the price of gas at an economic rate that far (2 years) ahead?

Need to know more about this statement – i.e. what monitoring method, what “action”.

“Transporters would be responsible for monitoring planned and installed service pipes where a meter has not been installed and take action to resolve any Unregistered Sites potentially taking gas illegally”.

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

0410A

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

0410A

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

It (0410A) appears the least worst option because of the GT’s statement re their subsequent actions if 0410 is approved.

**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?*

No view.

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

No View

**Relevant Objectives:**

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

No view.

**Impacts and Costs:**

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

0410/0410A  
Representation

---

07 June 2013

---

Version 1.0

---

Page 2 of 5

---

© 2013 all rights reserved

Increased confusion, further supply chain complication and lead times, forcing of business to Suppliers/GT's.

### Implementation:

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

No View.

### Legal Text:

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

No View.

### 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.*

## **Re Fitting of Meters Before Gas Supply Contract In Place**

Please note that it is critical to independent M.A.M's such as Squire Energy Limited that a Gas Supply contract is in place before gas is taken or we, the M.A.M, will be unable to recover our charges from the Gas Supplier for provision of the gas meter; so we hold significant interest in this subject.

Whilst in theory almost all meters clearly must not be fitted before a Gas Supply Contract is in place, it appears that the needs of large complex or multi-phased sites have not been fully considered as set out below.

In order to maintain flexibility for large complex I+C sites\*\*\* the "fitting of a gas meter" needs to be better defined. For instance a meter should only be defined as ***fitted or connected if it has been commissioned***. If a meter is required early in build cycle a gas meter can be ***placed*** in the meter room padlocked on the MOV or ECV (or both) by the MAM with an appropriate warning notice re theft of gas displayed (image illustrating below).

The padlock being removed by the MAM once the Gas Supply contract is confirmed and in place only then allowing gas to pass. This would negate the need for major developers / developments to enter into a Gas Supply Contract (for which they have no interest) sometimes ***YEARS IN ADVANCE*** of the building/development being finished!

EG Meter Outlet Valve Locked – Rendering Meter Disabled (Hence meter is “placed” but not enabled).



EG Suitable Warning Label



A suitable MAM procedure can be part of MAMCOP requirement and audited.

\*\*\*From logistical and construction reasons there are sometimes requirements for the Developer to install large gas meters at a very early stage. This enables the construction to continue being built around the installed gas meter (and other utility

plant) to facilitate easy access to plant/meter rooms before the upper floors are built and while specialist onsite crane-age is available. The alternative to building around the gas meter is that the gas meter and associated equipment is delivered in pieces once the building is complete and the gas meter then has to be constructed in situ – forcing up both cost and programme.

***How will Gas Suppliers set an economic price of gas years in advance for major developments??***

***How is the Developer going to assess the annual energy requirements (AQ) for an unknown End User? Incorrect assumptions by a Developer re AQ may penalise severely the ultimate End User.***

In summary Squire Energy (M.A.M) require that flexibility be incorporated to allow meters to be placed in meter rooms in circumstances whereby it is not appropriate for Gas Supply Contracts to be entered into at that time. This would be via a controlled procedure including locking, disabling and labelling meter until the gas supply contract is in place. The proposals forwarded to date appear to be ill thought out for complex developments and apply only to routine connections/end users.