

## 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:** Total Gas & Power  
**Representative:** Andrew Green  
**Date of Representation:** 07 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?**

N/A -These modifications are not alternates

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

N/A - These modifications are not alternates as they can be implemented simultaneously.

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

Both modifications will tackle the issue of Unregistered Sites. UNC Modification 0410 places clear incentives on those UNC organisations allowing a customer to connect to the network to ensure that the customer does not take gas whilst unregistered. UNC Modification 0410A puts in place a partial process to resolve sites that are unregistered. It is not a complete solution; in particular where a customer has been found to offtaking gas and there is no evidence of any supply contract there does not seem to be a robust resolution to the issue. It is however an improvement on the current process.

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

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

Rather than being regarded as alternates these modifications should be seen as complimentary; UNC Modification 0410 is seeking to recover, from the relevant code party, compensation for the gas used by MPRNs when they are not registered. UNC Modification 0410A provides a process for identifying and registering such sites.

As these modifications address separate areas, there is no risk of double charging for an Unregistered Site. This is recognised in the workstream report as UNC Modification 0410 is triggered only "when a site that has been assigned an MPRN is registered to a Shipper from the Supply Point Confirmation date and Xoserve cannot allocate all of the energy consumed to a particular Shipper". UNC Modification 0410A does not create any processes for backdating consumption and so there is no possibility of overlap.

### **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 modifications will reduce the number of Unregistered Sites present on the network, whose gas use is currently classified as Unidentified Gas. This will reduce the materiality of Unidentified Gas and so further relevant objective d).

UNC Modification 0410 does not seek to assign the title of the gas that was used by a site when it was unregistered; the modification seeks only to ensure compensation is paid to the SSP shippers who have the gas allocated to them. Therefore there is no impact on the Transporter's licence and so no impact on relevant objective c).

### **Impacts and Costs:**

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

Neither Modification 0410 nor Modification 0410A will have any impact on our processes as we do not provide MPRNs for new connections without a signed supply contract in place.

### **Implementation:**

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

The timetable for implementing UNC Modification 0410 gives impacted parties sufficient time to adjust their processes and contracts to take into account the new framework. Though UNC Modification 0410A has no implementation timetable provided were Ofgem to direct its implementation we would expect the new process to be in place by the end of 2013.

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**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?*

**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.*

It is clear that in this case the alternate modification process has created a misleading impression that these modifications are mutually exclusive. The alternate modification process needs to be re-examined in light of this confusion.