

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: Wales & West Utilities
Representative: Robert Cameron-Higgs
Date of Representation: 07 June 2013

Do you support or oppose implementation?

0410 - Not in Support

0410A - Support

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

Prefer **0410A**

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

Prefer **0410A**

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

Both of these proposals are targeted at lessening the impact on Unregistered Sites. The critical difference between the two approaches is that 410A has identified and seeks to deal with the **root** causes of this sometimes complex issue, whereas 410 carries the risk of creating behaviours and altered processes between Transporters and UIPs for example, which would be detrimental. Proposal 410A avoids these pitfalls and provides a balanced and correctly targeted contractual and procedural remedy to this area.

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?

We do not believe that both proposals could be implemented. There are a number of legitimate hand offs in the processes

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around this issue which could potentially create inappropriate double charging/risk element for parties if both were implemented.

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

Relevant Objectives:

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

Proposal 410 WWU's view is that relevant objective (d) is not facilitated.

No supporting facts backed by reason are available which allow us to conclude that the number of Unregistered sites, or the amount of Unidentified Gas would be positively impacted by this proposal.

Proposal 410A WWU's view is that relevant objective (d) is facilitated.

The root cause approach, and correctly targeted business rules within 410A will improve on the correct targeting of costs between shippers and suppliers.

Impacts and Costs:

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

410 carries the potential for Transporters to have uncapped liabilities. We are concerned that such an approach is inconsistent with the general manner in which UNC liabilities are governed. Currently, UNC liabilities are managed by a series of grouped areas with sub caps.

Implementation:

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 are satisfied with the legal text supporting 410A. We have some concerns regarding the 410 legal text, with respect to the link between the business rules and legal text, specifically in the area of relating to confirmation and registration.

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.

Unregistered sites is a key issue for all Shippers and Transporters and has been subject to significant analysis and debate to establish ways in which this key process can be made more watertight to ensure charges are borne by the correct parties at all stages. Proposal 410A takes a balanced view in this regard and places obligations on ALL parties at various stages in the process, including a number of potentially onerous obligations on Transporters who accept they will continue to have a part to play in administering this issue going forward.

We are concerned that Proposal 410 may dictate a change in the manner in which UIPs interface with Transporters with respect to MPRN management, which could ultimately lead to a detrimental

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service for customers. This is not the intent of 410 of course, but it could be an unwanted consequence should it be implemented.
