

Representation

Draft Modification Report

0425: Re-establishment of Supply Meter Points – Shipperless sites

Consultation close out date: 15 April 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: E.ON
Representative: Colette Baldwin
Date of Representation: 17 April 2013

Do you support or oppose implementation?

Do Not Support

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

On the face of it, it would seem very simple issue - either a customer has a gas supply contract or not.

If a customer asks for their supply to be discontinued and a supplier accepts that request, isolates the meter and then requests withdrawal of the registration with the gas transporter, then the supplier and consumer have intentionally terminated their contract and ended their relationship. The natural conclusion of this decision is that there is no further requirement for a gas service at the premise and so perhaps it would be appropriate for gas transporters to be more actively involved in the disconnection process at the time the customer is requesting the removal of a supply point from their network. This would limit both the GDNs' and shippers' exposure to the risk of gas theft by the illegal reconnection of a meter to a service pipe that remains in place after the termination of the supply contract but before the GDN finally removes the service.

We do accept that not all shipperless sites become shipperless because of an intentional disconnection process, and in some cases the process failures have come about by the mistakes users have made in processing meter exchanges or completing registration processes after some form of interruption of supply, perhaps during renovations or a period of inoccupation where the customer intended to suspend the delivery of gas to the premises rather than have the service removed entirely (e.g. to avoid accruing standing charges). In those circumstances the re-establishment of the confirmation to the original shipper might be appropriate if the existing meter has remained in situ and there was no change in consumer. We would support improvements to the processes around these activities.

The modification however has so many variables in terms of who might be responsible for the installation of a new meter during a

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shipperless period so determining who the responsible shipper would be is unclear. Given that meters can be legally installed by customers or by MAMs (who only have obligations to provide C & D updates to the gas transporter under the C & D Regs) independently of the supplier and/or shipper therefore to assume that there must be a deemed contract between a supplier and a customer because there is a meter present is inaccurate.

Equally the consumer who arranges the illegal connection of a meter and fails to comply with the C & D Regs cannot be determined to have entered into a supply contract and we would therefore expect the GDNs to deal with this as theft on behalf of the market and recover costs as permitted under its licence.

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?

Given that we don't support the implementation of the modification, we do not believe it facilitates any of the relevant objectives.

Impacts and Costs:

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

The modification hasn't made clear by what process registration would be enforced on a shipper by the GDN. Currently registration processes are initiated by the shipper and confirmation is a response file to the shippers' gain requests. A number of other business processes drop out of this activity, so this is likely to need a number of changes to our systems to deal with the potential for forced registration initiated by the GDN as well as what information is to be provided to the customer and what costs are to be recovered from the consumer for the interval period between registration.

Implementation:

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

18 months, as a number of systems would have to be amended to implement the re-adversarial registration initiated by the GDN.

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?

No

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

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We are seeing increased requests from customers for the removal of gas meters because of the re-introduction of standing charges so if the customer doesn't have an immediate need for gas by that consumer rather than face standing charges they are asking for the removal of the meter. Unless the process for withdrawal and removal of the service isn't robust there is a potential for more sites to become shipperless and therefore we would encourage a review of the disconnection and isolation processes.