

Representation

Draft Modification Report

0456 (Urgent): - Revision to the treatment of Allocation of Unidentified Gas for the 2013/14 AUG Year

Consultation close out date: 11 June 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: E.ON
Representative: Colette Baldwin
Date of Representation: 07 June 2013

Do you support or oppose implementation?

Support

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

An identified cross subsidy should be capable of being corrected at the earliest opportunity, particularly when it disadvantages the smaller supply points that have no choice but to absorb the costs and do not have the opportunity to pass through the costs as part of a supply chain. There is considerable public pressure to ensure that domestic customer prices are fair and reasonable and we are regularly subjected to robust challenges both by the media and by the regulator if they believe that smaller customers are picking up costs that their sector doesn't create.

We agree with the proposer's view that the consumption methodology used in the December 2012 prepared statement demonstrated a fair reflection of the total of unallocated gas, that the analysis was robust and that no new significant issues have been raised in the current analysis for 2014/15 AUG statement which would cast doubt on the methodology.

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?

D: The facilitation of effective competition. This would remove a clear cross subsidy from the LSP market to the benefit of small supply points at the earliest opportunity.

Impacts and Costs:

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

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The impacts would be minimal from a system and process perspective.

Implementation:

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

We are happy with the lead time proposed in the modification.

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.