Representation

Draft Modification Report

0473 0473A – Project Nexus – Allocation of Unidentified Gas

Consultation close out date: 13 November 2014

Respond to: enquiries@gasgovernance.co.uk

Organisation: Good Energy

Representative: Robert Cameron Higgs

Date of Representation: 13 November 2014

Do you support or oppose implementation?

0473 – Oppose

0473A – Support

If either 0473 or 0473A were to be implemented, which would be your preference?

Prefer 0473A

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

Proposal 0473A proposes a balanced approach to this matter, building on the principles and evolving knowledge that the AUGE has evidenced in recent years. The premise within 0473 that sites within Nexus meter reading classification 1 and (particularly) 2 is flawed. Both of these classes would avoid Unidentified Gas costs completely, which of course would shift 100% of the UG costs onto class 3 and 4 sites. It is critically important to recognise that there is no difference whatsoever in the site characteristics of a class 2 or class 3 sites. Therefore the establishment of a 473 regime that created a direct incentive to avoid UG costs by site classification would be detrimental to effective completion and would in practice load costs onto small supply points and to domestic consumers.

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

No

Relevant Objectives:

The implementation of 0473a better facilitates competition between Users, as the changes lead to a more accurate allocation of UG between suppliers. By contrast 0473 would distort competition and serve to load inappropriate costs onto ssp Users and domestic customers.

Impacts and Costs:

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

Implementation:

Legal Text:

We have not reviewed the legal text

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

No