

Representation

Draft Modification Report

0450 0450A 0450B - Monthly revision of erroneous SSP AQs outside the User AQ Review Period

Consultation close out date: 12 December 2013

Respond to: enquiries@gasgovernance.co.uk

Organisation: npower

Representative: Andy Baugh

Date of Representation: 11 December 2013

Do you support or oppose implementation?

0450 – Support: yes we support this option. We feel it is a fairer solution for all suppliers as it is more proportional to market share.

0450A - Not in Support: no we don't support this option as it is restricted to gains. This would not allow resolution of AQ issues identified through billing.

0450B - Not in Support: no we do not support this option. We feel it does not deliver a fair solution for all suppliers and would give smaller suppliers and unfair advantage

If either 0450, 0450A or 0450B were to be implemented, which would be your preference?

Prefer 0450

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

We feel 0450 provides a fairer more transparent, proportionate and equitable solution that would ultimately be more beneficial to a wider spread of customers, as large and small suppliers will have equal opportunity to further control costs, big and small. Our support for 0450 is under the proviso that the changes would solely be used as an extra option outside of the AQ Review window.

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

Our view is that unidentified gas should be distributed across all suppliers fairly and should not penalise anyone based on size of portfolio.

These modifications will effectively realign market share on a monthly basis & this will impact the energy smeared through RbD & the apportionment of Unidentified Gas. Mod 0450 will provide all Shippers with the capability to realign a proportional amount of AQ's to a more accurate position while ensuring that no parties are disadvantaged through this process.

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Version 1.0

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Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We feel this modification would meet Relevant Objective (d).

Impacts and Costs:

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

If this modification were to be implemented we don't expect there would be significant system development costs involved. We would, however, conduct a thorough cost/benefits analysis and based on the results of that analysis decide appropriate action.

Implementation:

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

We do feel this should be implemented no later than September 2014. If implemented later than this date the benefits won't be realised as Nexus is due to go live in 2015. For this same reason we also feel that even if there is a late decision, the modification should still be implemented no later than September.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

We have no comments on the legal text.

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.

We feel this modification will provide a good opportunity to test processes ready for Nexus implementation. It should allow us to identify potential issues and address them ready for Nexus.