

Representation

Draft Modification Report

0473 0473A – Project Nexus – Allocation of Unidentified Gas

Consultation close out date: 13 Nov 2014
Respond to: enquiries@gasgovernance.co.uk
Organisation: First Utility Limited
Representative: Jeremy Guard
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.

We strongly believe that Unidentified Gas should be allocated fairly and equitably, based on throughput, where there is no evidence to allow allocation elsewhere.

Modification Panel Members have indicated that it would be particularly helpful if the following questions could be addressed in responses:

Q1: Please provide as much information and analysis to support your response, particularly any justification for why any particular class should, or should not, attract unidentified gas costs.

We believe that all classes should attract unidentified gas costs; each class potentially has different types of issues that can contribute to unidentified gas volume. No class should be excluded or disproportionately included; we believe that 0473A delivers a fair and equitable method of unidentified gas allocation.

Q2: We welcome views on the attribution of unidentified gas costs under these modifications to NTS direct-connected sites.

No comment.

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

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We also believe it is important that unidentified gas is allocated fairly and equitably to ensure that all parties, regardless of their product class and portfolio mix are fairly and equitably motivated to detect, investigate and resolve issues (including theft) that lead to unidentified gas being created in the first place. It must be in all parties' interests to reduce the volume of unidentified gas such that all parties benefit fairly and equitably from that reduced volume.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We believe that 0473A would have a positive effect on objective d: securing of effective competition.

We believe that 0473 would have a negative effect on objective d: securing of effective competition.

Impacts and Costs:

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

Implementation:

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

We would like to see modification 0473A implemented as soon as possible.

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?

We have not looked at the legal text so cannot comment.

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.

No