

Representation - Draft Modification Report 0551

Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015

Responses invited by: **05 November 2015**

To: enquiries@gasgovernance.co.uk

Representative:	David Mitchell
Organisation:	Scotland Gas Networks and Southern Gas Networks
Date of Representation:	5 th November 2015
Support or oppose implementation?	Comments
Relevant Objective:	d) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

SGN is sympathetic towards the intentions of this modification, however we are mindful that modification 0428 was implemented on the 1st April 2014 with the intention disaggregating all supply points 3 months prior to the original Project Nexus go live date of 1st October 2015. The introduction of this modification could mean that those customers who followed the process of disaggregating their sites prior to the delay of project nexus could now be penalised unintentionally by this modification, as they will not be afforded the same protection from ratchets that this modification intends to introduce. We are mindful that large sites will be Daily Metered and will most likely have an account manager who will be able to work out the SOQ of the site. This should mean that an accurate SOQ for the supply point can be achieved thus avoiding ratchet charges altogether. SGN acknowledges that the proposer of the modification has afforded a degree of protection to networks by stipulating that sites that exceed their previous aggregated capacity will be liable for ratchet charges, this is something that we welcome.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

N/A

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

None identified

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None

Please provide below any additional analysis or information to support your representation

N/A