

## 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](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Robert Wigginton
<b>Organisation:</b>	Wales & West Utilities Ltd
<b>Date of Representation:</b>	03 November 2015
<b>Support or oppose implementation?</b>	Qualified Support
<b>Relevant Objective:</b>	d) Positive

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

Wales & West Utilities Ltd (WWU) appreciates the challenge that was faced by consumers with large interconnected downstream systems in allocating specific Annual Quantities (AQ) to specific meters previously aggregated.

We believe however that the lead time provided by Modification Proposal 0428 should have been sufficient for the sites to achieve an accurate level of dis-aggregation given each Daily Metered supply point included in the scope of this Modification Proposal was individually metered. Notwithstanding this, the modification appears a reasonable request for shippers given:

1. This proposal is limited in scope and is limited to one year;
2. Each aggregated site may otherwise have been afforded protection if Project Nexus had not been delayed until 2016, reducing the risk of any errors causing financial penalty for such sites; and
3. The consideration that has been given to ensure that a site which would have incurred a ratchet charge prior to dis-aggregation, continues to receive such a charge post disaggregation.

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

WWU accepts that it is appropriate to implement at the earliest opportunity and to apply retrospectively from the start of the current ratchet period of 1<sup>st</sup> October 2015.

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

There will be a cost to Xoserve of providing reporting to set out disaggregated supply points subject to ratchets and of subsequent validation that any request to avoid such charges adhere to business rules 1 - 5 set out in the work group report and the legal text. WWU would receive 10% of any such costs incurred by Xoserve where such costs were not already included in the 2015/16 Xoserve budget.

**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.*

WWU does disagree with one element of the workgroup report which states “Finally some customers have not been actively engaged in the process and have thus become subject to Xoserve determining the details of the de-aggregation.”

It is our understanding that such sites had both the opportunity and time to nominate their own disaggregated capacities. Xoserve have allocated only those who had failed to adhere to the deadlines set out in Modification 0428 (and subsequently clarified by Ofgem following the delay to project Nexus).

The current wording portrays that it was the role of Xoserve to proactively engage whereas the only specific requirement set out by Ofgem was ‘GTs should intervene to ensure that any sites which have not been disaggregated by that date are reconfirmed as individual meter points by 1 October 2015’ (Ofgem Open Letter dated 18<sup>th</sup> May 2015). The wording could equally therefore have been:

“Finally some customers ~~have not been~~ ~~did not~~ actively engaged in the process and have thus become subject to ~~intervention by~~ Xoserve ~~to determine~~ing the details of the de-aggregation.”

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

N/A