

Representation

Draft Modification Report

0431: Shipper/Transporter – Meter Point Portfolio Reconciliation

Consultation close out date: 12 December 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: EDF Energy
Representative: John Costa
Date of Representation: 12 December 2013

Do you support or oppose implementation?

Support

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

We support the intent of this modification to help cleanse the data held by suppliers and Gas transporters through meter point reconciliation. This yearly exercise will align MPRNs being supplied by Shippers with that held on Xoserve's sites and meters database, ensuring accurate billing of gas and transportation costs. Where the supplier is billing a site that is not registered on Xoserve's systems (Shipper less sites) this modification will ensure that that site is automatically registered. This in turn should lead to a decrease in unidentified gas allocation and a better targeting of costs to those who incur them.

The reconciliation of the data held by Xoserve will also reduce the number of unregistered sites thus meeting licence condition 7 which is concerned with the Transporters' obligations to investigate the illegal offtaking of gas.

While we recognise this is a short-term solution before Project Nexus and Smart metering is implemented, which themselves will automatically cleanse supply point data, we believe there is merit in implementing this proposal so long as the costs are not excessive. We believe most Shippers and suppliers frequently undertake a review of their portfolio as good general house keeping but it will be useful to have this data reconciled against the main sites and meter's database, through which Shippers and suppliers are billed by the GTs. The feedback from Xoserve to Suppliers will be useful so that Suppliers can improve the accuracy and alignment of their customer databases with that of GTs.

Finally, we agree that the publication of these reconciliation reports by the Transporters should be on a non-attributable basis unless it is for the Authority.

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

No

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Self Governance Statement:

Do you agree with the Modification Panel's decision that this should not be a self-governance modification?

Yes. We agree that it should not be self governance because of the change to shipper's and supplier's systems and processes and the impact it has on competition.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We believe that this modification will further facilitate relevant objectives c) and d) namely the efficient discharge of the licensee's obligations and securing effective competition between shippers and /or suppliers.

Impacts and Costs:

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

There will be costs incurred by Shippers and suppliers in implementing this modification, especially to deal with the automatic registration of sites. The proposer has not set out how this forced registration will work and therefore we are unable to ascertain how difficult or costly it will be to implement. We would require more information on this if the Authority were minded to implement this proposal.

Implementation:

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

We believe a minimum lead time of 12 to 18 months would be needed to implement this modification given the impact it may have on our sales and registration processes.

Legal Text:

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

We have not reviewed 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.

A cost benefit impact analysis may be necessary to understand the relevant benefits of this short-term proposal before project Nexus and smart metering program is implemented, all of which will improve meter point reconciliations.