

Representation

Draft Modification Report

0432: Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform

Consultation close out date: 06 January 2014
Respond to: enquiries@gasgovernance.co.uk
Organisation: Winchester Gas
Representative: Huw Comerford
Date of Representation: 10 December 2013

Do you support or oppose implementation?

Support

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

We believe the current settlement RbD regime is flawed especially for any shipper whose focus is on the SSP market, especially for those who deal in the pre-payment market. We completely support this modification to allow SSP's to be settled on actual usage rather than RbD.

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

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

The settlement of all supply points to actual reads will ensure shippers receive more accurate costs and this will improve competition. The incentive for shippers to provide regular meter readings should also increase the quality of data held by transporters.

Impacts and Costs:

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

At present we have no development and ongoing costs available.

Implementation:

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

We would find the 18 month lead time given in the modification would be suitable time period to allow us to implement the changes

Legal Text:

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

0432
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10 December 2013

Version 1.0

Page 1 of 2

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Yes

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.

While there is going to be a review of the demand estimation we believe that this is an ideal opportunity to review to allocation of the supply points that sit within the EUC1 band as we have provided evidence that a pre-payment meter customers profile is different from credit customers and whilst these meters will be settled on actual readings if the initial allocation is based on the current EUC1 profile this can cause a cash flow issue between allocation and reconciliation for small shippers.