

Representation

Draft Modification Report

0481 – Amendment to AQ Values Present Within Annex A of the CSEP NExA AQ Table Following the 2013 AQ Review

Consultation close out date: 21 March 2014
Respond to: enquiries@gasgovernance.co.uk
Organisation: RWE npower
Representative: Amie Charalambous
Date of Representation: 21 March 2014

Do you support or oppose implementation?

Support

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

We feel that the current CSEP NExA table which contains AQ figures from the 2010 AQ review is out of date. Accurate AQ's allow for better planning for transportation capacity, it also means more accurate charges being passed through. iGT AQ values directly impact CSEP costs & should therefore be updated in line with changes in the GT AQ values (upward or downward), otherwise allocation of energy is misallocated across GT/iGT markets.

There has been a yearly percentage change in the AQ values since the last review, it is appropriate to reflect these changes within the CSEP NExA table, showing a more accurate figure, rather than have to price based on outdated figures. Subsequently, tariffs become more reflective for the customer.

The industry has a responsibility to accurately price domestic new connection customers based on the most up to date AQ values available. A customer would expect to be priced at the most reflective price possible. In line with Ofgem incentives e.g. Retail Market Reform (tariff simplification) this can only provide a positive step towards transparency and fairer pricing for domestic customers.

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

No

Self Governance Statement:

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

No

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Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We believe this modification fulfils relevant objective d)

We would expect that, the increased accuracy of AQ values will improve the allocation of energy and costs between Shippers and therefore promote effective competition.

Impacts and Costs:

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

None

Implementation:

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

We would be happy to support the proposer's suggested preference for this modification to be implemented by 01 September 2014

Legal Text:

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

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.

No