

Representation

Draft Modification Report

0418 and 0418A - Review of LDZ Customer Charges

Consultation close out date: 02 August 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: WINGAS UK Ltd
Representative: Rob Johnson
Date of Representation: 02 August 2013

Do you support or oppose implementation?

0418 - Support

0418A - Not in Support

If either 0418 or 0418A were to be implemented, which would be your preference?

Our preference is for Modification 0418

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

It is the view of WINGAS UK Ltd that Modification 0418 if implemented will result in charges which more accurately apportion transportation costs between different load bands than the current Customer charge methodology does. In addition, Modification 0418, if implemented would mean that the DLCA costs (which being an allowance cannot be reflected in a cost reflective manner) would result in it being reflected across all customers' charges in a way that would not create significant negative impacts for any group of customers.

By contrast, 0418A would result in the DLCA costs being reflected in a manner that would create extremely large negative charge impacts for many customers by switching from a pence per supply point per day to a pence per kWh methodology. This would be disruptive to effective competition by imposing unreasonable charges on consumers who will not receive the benefits of the aforementioned allowance without any clear justification.

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

No

Relevant Objectives:

How would implementation of each modification impact the relevant objectives?

0418/0418A
Representation

02 August 2013

Version 1.0

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WINGAS UK Ltd agrees with the modification work group's statement that both modifications improve the facilitation of objective (a) and that Modification 0418 would better facilitate this since the analysis of costs and their drivers has produced the proposed charging functions, with those functions being driven by the data.

WINGAS UK Ltd is also supportive of the view of objective (c) that 0418 recovers approximately 98% of the cost from the group of customers the allowance was intended for which avoids cross subsidising and maintains stable and predictable transportation charges.

Implementation:

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

WINGAS agrees with the lead times proposed

Legal Text:

Are you satisfied that the legal text will deliver the intent of each 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.

No.