

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: E.ON
Representative: Colette Baldwin
Date of Representation: 19 March 2014

Do you support or oppose implementation?

Support

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

Energy efficiency and improvements to building regulations have resulted in a regular downward drift in gas consumption which needs to be reflected in the setting of future AQs for new properties. The NExA table changes will not affect the charging of any current MPRN, however by updating the table it will ensure that new connections are established with a more accurate AQ, reflective of changing consumer behaviour and more energy efficient homes.

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

None

Self Governance Statement:

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

Yes

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Accurate AQs ensure that costs are correctly targeted, and this therefore facilitates effective competition by ensuring more accurate and cost reflective charging arrangements flow from appropriate AQ values being assigned to new properties at the time of planning and/or connection.

Impacts and Costs:

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

There are no costs to implement the proposal.

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Implementation:

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

1 day following a decision from the Authority.

The proposed new NExA table AQ values are the product of the previous gas year analysis (a output of the AQ Review) and given that we've seen year on year downward movements in consumption levels, the values in the table are in all probability still too high, relative to the actual consumption that the home will experience when occupied - at some time in the future. The NExA table AQ will often be assigned to the home at the planning stage with the UIP/The iGT and the Developer setting the AQ when the contract is signed, which may be a number of years before the home is actually built and occupied.

Any delays to implementing the new values will result in higher transportation charges being incurred by customers for all new properties which are assigned their new AQ from the NExA Table. Since the individual AQs used for transportation charges are never corrected, delays to implementation result in perpetual higher costs than are appropriate for those sites

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?

No