

Further Consultation

0353 - Population and Maintenance of the Market Sector Code within the Supply Point Register

This further consultation is made pursuant to Rule 9.5.2 (b) of the Modification Rules.

Consultation close out date: 01 July 2011

Respond to: enquiries@gasgovernance.co.uk

Reasons for Further Consultation

At the June 2011 Modification Panel meeting, Ofgem raised some issues regarding Modification 0353. Panel Members agreed that it would be appropriate for the industry to have an opportunity to comment on these issues prior to Ofgem deciding whether or not the modification should be implemented. As a result, this further consultation has been issued and representations are invited. It would be particularly helpful if those who responded to the initial consultation would indicate whether they would wish to amend their previous representation in light of the issues that have been raised.

The issues raised by Ofgem are:

"The Gas Supply Licence definition in SLC6 is not exactly mirrored under UNC353. In particular, the UNC353 definition is based on "use" at the premises whereas the gas supply licence definition is influenced by the contractual arrangements. In particular, where a customer changes use from non-domestic to domestic the licence allows for this customer to continue to be treated as a non-domestic customer until the end of their contract. Under the same circumstances, the UNC would require the status to be updated to domestic.

We would welcome views on the consequences of the differences in definition between the UNC and the Gas Supply Licence and whether any of these are material. In particular, it would be useful to understand any potential impact for suppliers/shippers holding two status flags for a customer and what the consequences would be for GDNs if they were not updated based on the use of gas at the premises.

Our second concern relates to the drafting of the legal text. A new definition for domestic premises is proposed to be added to Section C:

***"Domestic Premises"** means Supply Point Premises where the gas is offtaken at the relevant Supply Point wholly or mainly for domestic purposes"*

We note that this definition makes reference to Supply Point Premises which is defined in Section G:

*"For the purposes of the Code this Section G the premises to which gas offtaken from the Total System at a Supply Point is or is to be supplied are the **"Supply Point Premises"**.)"*

0353
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Page 1 of 2

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We consider that the use of the term "at the relevant Supply Point" in the definition of Domestic Premises is confusing. A paraphrase of the two definitions when read together is that Domestic Premises are premises where gas is offtaken at a Supply Point where gas is offtaken at the relevant Supply Point wholly or mainly for domestic purposes.

In addition to potentially being confusing, one interpretation of this could be that, rather than looking at the use of gas at the premises as a whole, the shipper would have to identify the use of gas at the location of the relevant Supply Point (which could be a single meter point in a mixed use premises).

We would welcome consideration of whether there is a requirement to retain the phrase "at the relevant Supply Point" and if so what the intent of this retention would be."

Joint Office of Gas Transporters