

## Stage 01: Modification

# 0472:

## Reporting the number of registration attempts by a Gas Shipper

At what stage is this document in the process?

- 01 Modification
- 02 Workgroup Report
- 03 Draft Modification Report
- 04 Final Modification Report

This modification seeks to enable Shippers to resolve issues where multiple registration attempts are made resulting in multiple objections.



The Proposer recommends that this modification should be

- assessed by the Workgroup



High Impact:



Medium Impact:



Low Impact:  
Shipper users

0472

Modification

27 June 2014

Version 6.0

Page 1 of 7

## Contents

1	Summary	3
2	Why Change?	4
3	Solution	4
4	Relevant Objectives	6
5	Implementation	7
6	Legal Text	7
7	Recommendation	7

## About this document:

This modification is to be considered by Panel on 17 July 2014.


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0472

Modification

27 June 2014

Version 6.0

Page 2 of 7

# 1 Summary

## Is this a Self-Governance Modification?

The Modification Panel determined that this is not a self-governance modification because it is likely to have material effect on competition and consumers. However, the Workgroup considers the self-governance status of this modification should be reconsidered as the scope has changed and that they recommend that it should follow self-governance procedures.

## Why Change?

At the moment there is no restriction on the number of registration attempts that a Shipper can make when 'gaining' a customer. This can lead to numerous repeated attempts to register the customer when this is not appropriate, for example when the customer is under contract to their existing Supplier. These repeated registration attempts are inefficient. It has been identified that an existing Shipper cannot identify the proposing Shipper attempting registration however Xoserve can report on these issues where repeated inappropriate registration attempts may have been made.

## Solution

We believe that reporting the number of registration attempts where customers are under contract is required to prevent multiple unwarranted registration attempts and drive correct behaviour. It will also assist Shippers in resolving specific incidents of this. This has significant customer benefit by enabling the incumbent Shipper to identify the proposing Shipper and resolve the issue resulting in quicker and more efficient switching.

## Relevant Objectives

Implementation of this proposal will facilitate Relevant Objective D, "securing of effective competition" by freeing Shippers and suppliers to focus on other aspects of customer service rather than expending resource in dealing with erroneous registration terms. Encouraging communication between Shippers may also resolve objections quicker to the benefit of consumers and f) Promotion of efficiency in the implementation and administration of the Code.

## Implementation

Implementation costs are not known; while no implementation timescale is proposed, the change should be made as soon as practicable.

## 2 Why Change?

At the moment there is no restriction on the number of registration attempts that a Shipper can make when 'gaining' a customer. However, if the customer is under contract with their existing Supplier this can lead to the objection process being invoked. Even after the objection is upheld, the Shipper can attempt to register again immediately afterwards and this registration and objection process by Shippers and Suppliers can be repeated time and again. This is inefficient for the existing supplier and in addition leads to accusations of a high number of objections - when in fact many are for the same customer. It is envisaged that post Nexus this issue will be addressed by the Gas Performance Assurance Framework to incentivise compliance further. Until a Performance Assurance Framework is established reporting multiple attempted registration and objections identifying the proposing Shipper will allow Shippers to focus on solving them.

## 3 Solution

The solution is to enable incumbent Users to use the current Transporter agency (Xoserve) enquiries process to find out the identity of the proposing User. This is in circumstances where 5 registration attempts within a 3 calendar month period are made by the same proposing User.

This would allow a bilateral discussion between Suppliers to resolve the issue and assist in providing evidence should one party decide to report certain behaviours to the Authority.

### **Draft Business Rules.**

- 1) Circumstances may arise where the Existing Registered User receives a 5 or more Confirmation notifications from the Transporter during a 3 calendar month period and may object to the proposed transfer of ownership using a valid Supply point Objection reason code.
- 2) Subject to 1), the Existing Registered User may contact the relevant Transporter who will identify the Proposing User or Users attempting to register the relevant Supply Meter Point. .
- 3) Provided 5 or more Supply Point Confirmations have been made within 3 calendar months by the same Proposing User, the Transporter will notify the identity of the relevant Proposing User to the Existing Registered User and will confirm to the Existing Registered User that the Proposing User has submitted 5 or more Supply Point Confirmations within 3 calendar months.
- 4) Where the conditions of the above information request are not met the Transporter will reject such request.
- 5) For clarity to ensure this a prospective modification it will only apply to confirmations made after the 1<sup>st</sup> September 2014.

While not part of this Modification Proposal the following information is provided:

- i) The incumbent User may contact the proposing User directly to resolve the issue
- ii) The incumbent User may escalate the issue to the Authority if resolution cannot be agreed.

0472

Modification

27 June 2014

Version 6.0

Page 4 of 7

## User Pays

### Classification of the modification as User Pays, or not, and the justification for such classification.

This proposal is a User Pays Modification. The proposal requires amendment to an existing Non Code User Pays Service Line – User Telephone Enquiry Service. This change, which will be effected by a User Pays Change Request to amend the above Service.

### Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.

Development costs - 100% costs to Users (no development costs have been identified)

Ongoing costs - 100% costs to Users (charged through the User Telephone Enquiry Service)

### Proposed charge(s) for application of User Pays charges to Shippers.

The costs of this service will be recovered using the charging mechanism for the existing User Telephone Enquiry Service.

### Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.

The costs of this service will be recovered using the charging mechanism for the existing User Telephone Enquiry Service in line with the **SERVICES SCHEDULE FOR THE PROVISION OF NON-CODE USER PAYS SERVICES**.

Users will need to assess the appropriateness of their User Telephone Enquiry Service Volume Band in light of this Modification. Should Users exceed their current banding volume then they would be charged on a per call basis or they may request to change their banding volumes.

The ACS is not amended as a result of this Modification therefore a revised ACS is not required.

0472

Modification

27 June 2014

Version 6.0

Page 5 of 7

## 4 Relevant Objectives

Impact of the modification on the Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	Positive
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

Reducing the number of erroneous gain attempts would enable all Shippers and suppliers to use their resources more efficiently; and help to ensure an appropriate competitive environment.

0472

Modification

27 June 2014

Version 6.0

Page 6 of 7

## 5 Implementation

No specific implementation date is proposed. However, should self-governance procedures be followed implementation could be 16 Days after a Panel decision to do so.

Implementation costs are not known, but should be minimal given that the change requires only a change to the wording of the UNC and not system changes.

To improve the working of the objections process the change should be made as soon as practicable.

## 6 Legal Text

Legal Text is to be provided by National Grid Distribution.

## 7 Recommendation

The Proposer invites the Workgroup to assess the modification and:

- AGREE that this modification should progress to Consultation.