

Representation

Draft Modification Report

0450 0450A 0450B - Monthly revision of erroneous SSP AQs outside the User AQ Review Period

Consultation close out date: 12 December 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: First Utility
Representative: Robert Cameron-Higgs
Date of Representation: 10 December 2013

Do you support or oppose implementation?

0450 - Support

0450A - Qualified Support

0045B - Support

If either 0450, 0450A or 0450B were to be implemented, which would be your preference?

Prefer 0450B

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

As the proposer of Modification 0450, we believe the options provided by 450B are the most appropriate of the three Modifications to ultimately allow Shippers to have the most appropriate AQ (and therefore) cost allocation share between relevant Shippers. The nature of growing Shipper portfolios, particularly in a gas market where switching is being encouraged more than at any time in recent history, means Shipper organisations should be afforded increased opportunities to propose **more accurate** AQs than would otherwise be the case. This increased portfolio AQ accuracy will ultimately provide more accurate allocation for those organisations which appropriately utilise this new window for amending erroneous AQs. Modification 450A is limited to new gains which lessens the ability to reduce or eliminate erroneous AQ's within a Shippers portfolio.

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

No

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

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Implementation of (any of these three) modifications would further effective competition between relevant Shippers and Suppliers in line with objective d) as Shippers would be able to amend erroneous AQs outside the User AQ Review Period, counteracting the current disadvantage with current processes. More accurate AQs will lead to more accurate and efficient allocation of costs across the market. Proposals 450 and 450B further this relevant objective more than 450A does.

Impacts and Costs:

We would only incur minimal costs to implement this as the processes within the modification merely 'bolt on' to existing functions and tasks carried out within the business.

Implementation:

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

Implementation is required asap to allow Shippers to plan workloads and to allow Xoserve sufficient time to build functionality to deliver the Modifications requirements.

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.

During the development of the three proposals, it has been suggested by a larger shipper that smaller shippers may be disadvantaged by the implementation of 450 or 450b as the potential resource requirements may constrain these shippers from utilising its availability. We **do not** concur at all with this view. As a smaller shipper raising the proposal we are best placed to know the operational impact of this proposal and therefore recommend 450b as our preferred Modification of the three being considered.