

Representation

Draft Modification Report

Modification 0374 – Interruptible to Firm – Supply Point Transition

Consultation close out date: 12th August 2011

Respond to: enquiries@gasgovernance.co.uk

Organisation: Gazprom Marketing & Trading Retail (GMT&R)

Representative: Steve Mulinganie
Regulation & Compliance Manager

Date of Representation: 12th August 2011

Do you support or oppose implementation?

SUPPORT

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

GMT&R believe it is appropriate and consistent to provide Consumers being subjected to a forced transition to a new regime to be provided with an appropriate “soft landing” period to protect them from penal ratchet charges which may result from those Consumers being forced to move from Interruptible to Firm status.

We believe it is important that we do not unfairly penalise Consumers during this forced transition and we believe the provision of a “soft landing” is consistent with the approach taken when introducing new regimes and products, many of which were voluntary in nature, including the recent introduction of Daily Metered Elective services.

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

GMT&R also believe it is important to consider that Consumers may take the opportunity to review / change existing arrangements as a result of being forced to change the nature of their supply agreements and this may lead to greater transfer activity around the 1st October than is indicated by historical activity.

This could lead to constrained windows for the new Supplier to query and change the SOQ to reflect the Customers actual requirements and therefore may deter Customers from switching from the incumbent.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We believe that implementation of this proposal is consistent with efficient discharge of the licensee's obligations, as it allows time to establish appropriate SOQ levels without the risk of suffering penal charges.

Impacts and Costs:

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

We would not face any analysis or development costs if this modification were implemented.

Implementation:

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

We would like to see implementation as soon as possible to provide certainty to Customers affected by the forced change to Firm.

Legal Text:

Are you satisfied that the suggested 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.

NO

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2011

Version 1.0

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