



Gazprom Energy
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Representation

Draft Modification Report

Modification 0428/0428A - Single Meter Supply Points

Consultation Close out date: **10th June 2013**

Respond to: enquiries@gasgovernance.co.uk

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

Representative: Steve Mulinganie
Regulation & Compliance Manager

Date of Representation: **10th June 2013**

Do you support or oppose implementation?

0428 NOT IN SUPPORT

0428A SUPPORT

If either 0428 or 0428A were to be implemented, which would be your preference?

0428A

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

In raising 0428A we are seeking to protect existing customer's arrangements from the inherent retrospective nature of 0428. We believe it is important to protect consumers who operate at premises with existing gas supply infrastructure, the design of which for many was dictated not by their or previous customers needs but by the connection rules and policies in place at the time.

We also believe our proposed approach is consistent with grandfathering rights enjoyed by existing Prime and Sub-deduct configurations. Whilst new configurations have been prohibited existing arrangements have been allowed to continue to exist.

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

We would also note that the proposed redistribution of benefits in 0428 relies on those existing configurations remaining in situ. It is highly likely, in our opinion that customers penalised by the modification will take action to, were economic to do so, engineer out or transfer loads to a single primary meter. This will create additional “one off” costs for customers and may well impact existing services and meters which risk being stranded as part of the consolidation.

As part of our analysis we have identified many public sector sites such as Schools, Universities & Hospitals which benefit from the existing arrangements. On a sample of just 3 Supply Points we have identified additional charges of circa £15k

Aggregated Annual Charge	Single MPR Annual Charge
£7,898.22	£13,343.35
£4,605.19	£5,898.02
£9,706.54	17159.85912
£22,209.95	£36,401.23

Relevant Objectives:

(How would implementation of this modification impact the relevant objectives)?

We agree that this modification will impact positively on the relevant objectives c) and d) as cost reflective charging will prevent cross subsidy from one market sector to the other. Customers who have made decisions regarding their gas supply in good faith will not be penalised by changes to the basis of transportation charges and capacity.

Implementation:

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

We note the desire for implementation in line with the implementation of Project Nexus so as to avoid large numbers of MPRN’s falling into RbD

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Legal Text:

Are you satisfied that the suggested legal text will deliver the intent of the modification?

We have not reviewed the draft legal text

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that you believe should be taken into account or you wish to emphasize.

NO

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