

Representation

Draft Modification Report

0428/0428A - Single Meter Supply Points

Consultation close out date: 10 June 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: RWE npower
Representative: Richard Vernon
Date of Representation: 06 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?

Prefer 0428

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

Whilst we support improved transparency of network charges, we have concerns that 0428 will have disproportionate impacts on Customers with historical metering configurations. Specifically:

- If 0428 is implemented some Customers will need to make decisions on whether they pay increased costs or re-engineer site processes. It is unlikely that these Customers will understand why they need to make this decision.
- Under 0428 each individual meter will have its own SOQ, rather than at site level as it is currently. Customers have different reasons why several meters are aggregated under one supply point. Sometimes this is a main meter and a support meter, or metering which has been specifically set up to accommodate particular site processes. Unless the site falls under twin stream metering rules, the Customer will be subject to additional charges or increased risk of SOQ breach (if capacity is split between meter points as part of the disaggregation).
- Customers have become used to completing a successful change of Supplier by referencing a single MPRN. Under

0428/0428A
Representation

10 June 2013

Version 1.0

Page 1 of 3

© 2013 all rights reserved

0428 it is now possible that MPRNs within a portfolio could remain with the previous Supplier. This fragmented COS could lead to default charges being applied to the Customer along side other administrative issues.

Further, the currently un-quantified impacts to Suppliers include;

- Cost for parties to de-aggregate sites. This will be a manual and complex process and will potentially involve contract negotiations. This may result in Customers moving between Suppliers.
- The mixing of residential and commercial meters within the 01B profile could create unrepresentative industry variables (such as ALP and DAFs) in the future. These variables are calculated using historic data and therefore the inclusion of commercial meters (which have different annual consumption shapes and weather sensitivities) in the 01B profile could distort these variables and therefore result in these not being effective for either the residential or commercial customers.

For these reasons we believe the alternative modification (0428A) is more appropriate.

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?

Marginal benefits to:

- c) Efficient discharge of the licensee's obligations.
- d) Securing of effective competition:
 - (i) between relevant shippers;
 - (ii) between relevant suppliers;

Impacts and Costs:

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

The disaggregation of supply points is a complex process and will require significant levels of manual processing.

Implementation:

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

RWE npower would need at least 12 months to implement 0428. This is for the existing Customer base only and does not include new gains.

0428/0428A
Representation

10 June 2013

Version 1.0

Page 2 of 3

© 2013 all rights reserved

Legal Text:

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

We have not reviewed the legal text.

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.