

Representation

Draft Modification Report

0425: Re-establishment of Supply Meter Points – Shipperless sites

Consultation close out date: 15 April 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: SSE
Representative: Anne Jackson
Date of Representation: 15 April 2013

Do you support or oppose implementation?

Not in Support

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

If this modification is implemented it will not be possible for a supplier to sever their relationship with a customer entirely. Once a contract has ended and a supplier has removed their meter from a customer's site, the customer and supplier should be able to consider that their relationship has ended and suppliers should not have any responsibility for the actions of site tenants or potentially other suppliers once that relationship has ended.

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

SSE are concerned about the increasing numbers of shipperless sites, but do not believe that this modification will physically alter any of the circumstances that lead to this scenario. This modification will reduce the number of shipperless sites simply by making a shipper responsible, thereby removing the cost allocated to the small supply point market through RBD. The shipper may not be the correct shipper and this modification makes no allowances for the consumer's part in fitting a new meter without there being a supplier in place.

Following a withdrawal, if a consumer has fitted a meter with malicious intent, this modification will effectively legitimise the arrangement by providing a deemed supply contract retrospectively and without meter tampering, no theft will have been committed. This suggests that the consumer can behave in this way without consequence. The consumer may also avoid agreeing contractual terms using this mechanism, perhaps to avoid paying a security deposit for example.

A prudent customer in the same circumstances, who seeks their supplier by contacting the transporter, will be told that there is no registered supplier to their site. However once a meter is

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discovered on their site, they will find that they do have a relationship with a supplier of which no one made them aware when they enquired. This is likely to lead to complaints particularly as the supplier involved may also have been contacted by the customer and indicated that they were not the supplier to that site.

The modification will provide a deemed supply contract retrospectively. This will allow suppliers to charge customers but does not allow suppliers to mitigate the risk of this scenario occurring, perhaps through site visits. The only way for suppliers to mitigate this risk is to disconnect the service at the time the meter is removed. These costs are likely to be passed through to consumers along with the additional costs of obtaining a service if the customer changes their mind in the short term.

Large supply points will need to be nominated in order to effect a registration. Following withdrawal, the capacity may be reallocated and if a large site is found to be burning after the capacity has been reallocated, it is not clear whether a registration will be possible.

SSE believes that greater responsibility needs to be placed on meter fitters. The current governance for meter fitters under values their role in providing access to energy and the regime needs to be reviewed to ensure that the burden of risk is placed on parties appropriately and that those parties have the ability to mitigate those risks.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

SSE believe the relevant objectives will be impacted but not in a positive way. Suppliers will take financial responsibility for these scenarios while being unable to mitigate the risks. It is also likely that costs will be allocated inappropriately.

Impacts and Costs:

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

SSE may need to revise its terms and conditions to reduce its exposure to risk. Additional costs due to additional physical works are likely to be passed on to consumers.

Implementation:

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

SSE would like a lead time of 6 months following implementation to alter processes, procedures and in some cases contracts to minimise the risk to their business. Systems support may be required to support unsolicited notifications.

Legal Text:

Are you satisfied that the legal text [and the proposed ACS (see www.gasgovernance.co.uk/proposedACS)] will deliver the intent of the modification?

No comments

Is there anything further you wish to be taken into

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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 further comments