

Representation

Draft Modification Report

0428/0428A - Single Meter Supply Points

Consultation close out date: 10 June 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: WINGAS UK Limited
Representative: Rob Johnson
Date of Representation: 7th 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?

As per the answer to the previous question; our preference is for Modification 0428A.

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

A move to universal single meter supply points does indeed simplify central system process, but it will negatively impact the ~20% of LSP sites that have aggregation to some degree. These customers made a specific choice for an aggregated configuration when they commissioned sitework activity on the basis of the cost framework in place at the time. In addition such customers benefit from DM loggers on meters that would not otherwise qualify due to AQ constraints. By completely removing aggregation these customers will be penalised for decisions made in good faith, many of them public sector institutions (for instance Universities and Hospitals), and be faced with large reengineering costs or much higher transportation costs for an identical service.

However, with the alternate proposed modification we would be able to prevent the creation of further aggregated sites whilst maintaining the status of currently aggregated sites. This avoids penalising current sites, avoids considerable work for shippers in adjusting their billing systems to disaggregate all existing customers and ensures that future connections are undertaken on a single supply point basis. We note that primes and subs meter configurations currently operates in the same manner and do not understand why multi-meter supply points should be treated differently.

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

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No.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

WINGAS UK Ltd disagree that UNC Modification 0428 will overall further the relevant objectives. The small positive impact on cost reflectivity (relevant objective c), will be outweighed by the larger negative impact on relevant objective d as customers with multi-meter point configurations will be see a disproportionate increase in their transportation costs. In addition shippers will be hit by significant administrative costs as they adjust their processes. This will have a disproportionate impact on smaller non-domestic suppliers.

WINGAS UK Ltd concurs with the proposer of UNC Modification 0428A that the effect on the objective identified (c & d) would be positive as it does not penalise those customers who accept multi-meter supply point configurations in the past, avoids significant cost to smaller shippers who supply affected customers and ensures future configurations are single supply points only.

Impacts and Costs:

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

If UNC Modification 0428 were implemented we would have to commit considerable time and resource to negotiate new contracts with the customer taking into consideration cost effects, adjusting our billing set up for a large number of customers who are currently aggregated and disaggregate and re-confirm all involved Meter Points within the SPA processes. This would be avoided if UNC Modification 0428A were implemented instead.

Implementation:

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

Our comments above notwithstanding, we would be happy to see either UNC Modification 0428 or UNC Modification 0428A implemented as part of Project Nexus

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.