

Representation

Draft Modification Report

0395 - Limitation on Retrospective Invoicing and Invoice Correction

Consultation close out date:

Respond to: enquiries@gasgovernance.co.uk

Organisation: WINGAS UK Ltd

Representative: Rob Johnson

Date of Representation: 25/11/2011

Do you support or oppose implementation?

Not in Support

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

WINGAS UK Ltd does not support the proposals in MOD 0395 as it believes that as a small business focusing on a specialised (high end consumer) sector of the market, deviation of the timescales for retrospective billing from a network position against that of a consumer position (six years in the Limitations Act 1980) creates risk of suppliers of larger I&C customers being exposed to large bill corrections without the ability of reflecting this in settlement.

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

None

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Due to the fact that the high energy consumers, that WINGAS UK has as customers generally have their own sophisticated energy management capabilities, it is common for billing anomalies to originate from the consumer where both the shipper and network have overcharged for consumption. As the customer is supported by The Statute of Limitations Act 1980, the supplier is required to reconcile billing back to a six year cut off. The supplier would not be able to reconcile this energy with the network and, due to the high volumes / low margins involved, this could have a terminal effect on the viability of a small company such as WINGAS UK. We note that this is not a risk that organisations with a large SSP portfolio face where the individual cost exposure is much smaller.

This modification therefore goes against relevant objective (d) (ii) furthering of competition between relevant suppliers.

Impacts and Costs:

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

In 2011 WINGAS UK Ltd has successfully reconciled legacy overcharges in partnership with Xoserve and its colleagues of significant value. It is anticipated that further reconciliation is necessary and implementation of this Modification and others like it will jeopardise adjustments owing and result in a rush of adjustments.

Implementation:

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

Our comments above notwithstanding any reduction in the reconciliation window will mean that costs are not adjusted appropriately.

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