



Ofgem Consultation – Project Nexus: statutory consultation on licence modifications and further consultation on UNC modifications to introduce IGT Single Service Provision

Response from E.ON

We supply a significant number of gas customers who are connected to IGT networks and have done so since the outset of competition in the retail gas market. We have experienced the difficulties and additional costs that have resulted from IGTs operating different systems and business processes to those used for the majority of gas customers.

As well as leading to unnecessary additional costs for our business it has also often resulted in poor services for customers. This has been a long running cause of concern for us which will finally be rectified by the implementation of a common service provider for all customers regardless of which gas transportation network they are connected to.

We are therefore in support of the implementation of the modifications UNC 440 and 467 as well as the implementation of the modifications to gas transporter licence outlined in this consultation from Ofgem.

We agree with the decision of Ofgem to make the use of a single central service provider a licence obligation upon all IGT. Only such an obligation will ensure that all IGT, both today and in the future, are obliged to use the same service provider. Attempting to create such an obligation by the use of industry codes is more challenging, easier for future IGT to circumvent and more difficult to enforce.

The funding arrangements proposed for the IGT seem reasonable. We are aware of the long and detailed debate that has been ongoing on this issue with stakeholders and that has led to the proposals within this consultation. We therefore support the methodology outlined in the new licence conditions.

We also support the decision not to implement any form of User Pays arrangements at this time within the IGT UNC. Charging for Xoserve's services will change considerably once the reforms to its governance and funding arrangements are implemented next year. These should make Xoserve's costs more transparent and be equitably distributed between users of its services. This should make the need for a User Pays arrangement unnecessary.