

**BGN and Gaslink Response
to
CER Consultation Paper on Debt Blocking**

18 September 2009

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INTRODUCTION

Gaslink and BGN welcome the opportunity to respond to CER Consultation Paper on Debt Blocking issued on 14 August 2009.

Gaslink and BGN have reviewed the document and our feedback is provided below.

BGN are generally neutral in terms of the various Proposals outlined, and are willing to discuss the implementation of any proposal that might be approved by the CER.

General Comments

To clarify, we read the paper and understood that by “disconnection” the CER meant “lock” (for credit reasons)

Any changes with Gas MaP schema impacts will require to be scheduled in to a schema release.

It may be prudent to discuss the proposals in conjunction with the existing Change Of Shipper process review, which is going through major changes at present at Industry fora.

Proposal 1: Maintain the Status Quo

Q.1: What are the respondents’ opinion on proposal 1?

The GPRO processes would be unaffected by Proposal 1.

Q.2: Are there any other measures which the Commission could take to alleviate suppliers concerns regarding debt levels?

NTR.

Proposal 2: Introduce Process Change

Q.3: What are the respondents’ opinion on proposal 2?

- There would be a number of impacts to the GPRO processes, these include:
 - GPRO would have to record and maintain a listing of gas points where Shippers have issued notices. This would be resource intensive and would need to be systemised. A series of new Gas MaP messages would be required.
 - Change of Shipper process impacts, e.g. validation impacts regarding the checking of new listing.
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- GPRO would require guidance as to how to ensure Shipper notice is valid. We would appreciate if industry could indicate who would be involved in this process.
- If a Shipper requested a Change of Shipper on a locked / disconnected meter what reason (if any) would the reject message give?
 - E.g “Outgoing Shipper has recorded a lock”
 - If message indicates that it is due to “Credit” issues (or even implies so), there may be a risk of being open to accusations regarding false and/or inaccurate assertions against parties.
- The Disconnect / Reconnect charge may be less than the customer’s outstanding debt, in which case a customer may change supplier to avoid outstanding debt.
- Gas Map Schema changes would be required as well as backend changes IUS changes to GPRO systems.
- A change of End User at a locked site - How would this work if the customer leaves the premises (not traceable) without paying the monies owing and a new customer moves in? In the current economic climate this scenario is a significant issue.
- Shippers should indicate quantum of credit letters issued monthly. We understand that in the region of 400 credit locks are issued monthly, hence the number of credit letters could be in thousands. This would be an additional administrative burden than exists presently.

Q.4: Are there any other process changes (aside from debt blocking) which would be useful for managing indebted customers?

NTR.

Proposal 3: Introduce Debt Blocking for Business Customers

Q.5: What are the respondents’ views on proposal 3?

- Change of Shipper would become a 2 day process as an extra day would be required to process the objection.
 - New Gas MaP messages and schema changes would be required.
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- There would be increased resource impacts (e.g. to process and manage new objections process, process genuine Change of Shipper requests).
- There would be an increase in admin burden to process genuine COS requests.
- The GPRO would see itself as the recorder of an objection process and not referee.
- The CER would have to adjudicate if any disputes over an objection arise.
- The documentary proof that would be required if an objection occurred would need to be fully set out in any new rules that might need to be developed.

Q.6: Are there any other issues that the Commission should consider in relation to this issue?

- NTR.