

CODE OF OPERATIONS MODIFICATION PROPOSAL



MODIFICATION DETAILS

Modification Number: A 087

Modification Title: Implementing a new framework so that Suppliers contract their own payment channels for prepayment meter customers

| Modification Proposer: | Modification Representative: | Modification Representative Contact Details (email address): | Date Submitted: | Proposed Implementation Date: |
|-------------------------------|-------------------------------------|---|------------------------|--------------------------------------|
| Gas Networks Ireland | Miriam Twomey/Hilary Healy | Miriam.Twomey@gasnetworks.ie / Hilary.Healy@gasnetworks.ie | 22/12/2017 | 2018 |

Proposal (including rationale):

GNI wishes to revise the provisions in the Code of Operations related to Prepayment Metering so that Suppliers contract their own payment channels for gas prepayment meter customers rather than be required to be a party to a Front Office Services agreement agreed by the Transporter with third party service providers. GNI propose to revise relevant sections and definitions in Part F (Administration). Suppliers would be required to contract front office service provider(s) and ensure these providers adhere to procedures and technical standards set by the Transporter (and based on the Siemens Quantum system). GNI envisages a new ancillary agreement between GNI and Suppliers which would address issues such as communication flows, management of technical issues, market assurance processes, distribution of gas cards and management of suspense account.

For historical reasons, GNI has procured and contracted pre-payment front and back office services to facilitate the Quantum gas prepayment metering system. As a result, GNI holds front and back office agreements with Payzone, An Post and Siemens. Suppliers that operate in the prepayment market have what are termed "direct" front and back office agreements with the aforementioned providers. However, GNI believes that in a mature, open and competitive gas market, Suppliers should be able to procure and contract their own front office services.

Proposed Implementation Date:

The new agreement would need to commence prior to July 2019 when current contracts expire. Suppliers would need certainty of requirements in early 2018 to allow them to put new arrangements in place.

Proposed section of the Code to be modified:

Part F (Administration)

MODIFICATION MOTIVATION

Intended Outcome of the Proposed Modification:

Suppliers will directly contract, within specified mandatory provisions, with Front Office Providers to offer payment channels to their customer bases which will align with GNI's Back Office system.

Benefits of implementing this Modification:

Suppliers will be able to procure and contract their own specific Front Office Services

Consequences of not making this Modification:

GNI would contract the Front Office Services, including all commercial terms, which would be imposed on Suppliers.

Illustrative Example (Please enter a scenario where the issue and solution are illustrated):

