

Representation - Draft Modification Report UNC 0761

Arrangements for Interconnectors with additional Storage capability

Responses invited by: 5pm on 19 November 2021

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Gerry Hoggan
Organisation:	Scottish Power
Date of Representation:	19 th November 2021
Support or oppose implementation?	Oppose
Relevant Objective:	<p>a) None</p> <p>b) None</p> <p>d) None</p>
Relevant Charging Methodology Objective:	<p>a) Negative</p> <p>b) Negative</p> <p>c) Negative</p>

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

We are concerned that the service proposed does not align, and is inconsistent, with the statutory definition of a storage facility as defined within S.48(1) of the Gas Act 1986, that definition having been inserted by the Electricity and Gas (Internal Markets) Regulations 2011/274 and referenced within the Draft Modification Report. The determination of this question is central to this proposal.

Whereas the additional flexibility that the proposed service offers may be welcome, nonetheless, again as referenced within the Workgroup Report, it clearly has attributes that are distinct from a gas storage facility. Those differing characteristics are such as not to justify it being categorised as a gas storage facility and the resultant application of the particular charging arrangements that apply to gas storage.

Implementation: What lead-time do you wish to see prior to implementation and why?

We would not support implementation in the absence of some authoritative legal statement regarding the definition of the proposed service.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

None

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

We have not conducted a review of the legal text

Modification Panel Members have requested that the following questions are addressed:

Q1. Do any legal points need to be considered which are relevant to 0761?

See above and the need for an authoritative legal statement regarding the definition of the proposed service

Q2. Do you have any views in relation to the delivery costs and potential benefits associated with delivering this solution?

It is difficult to form a view on costs and benefits on the basis of the high-level estimates provided to this point. Moreover, there remain uncertainties over service availability and related volumes that makes any assessment problematical.

Q3. Do you have any views as to whether implementation will increase overall NTS throughput volumes?

It is not clear to us whether this service may still be offered without the attendant discounted transportation charges that would flow from implementation.

Q4. Please explain whether you believe this solution has any impacts on other available storage services.

We believe that there may well be an impact on other available storage services if the projected volumes of the new service were to materialise. We would hope and expect Ofgem to conduct a detailed assessment of the impact, taking account of the differing characteristics of the two services and whether the case has been made for the new service benefitting from the additional charging discounts afforded to storage facilities.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No comment

Please provide below any additional analysis or information to support your representation

None