

Representation - Draft Modification Report 0510

Reform of Gas Allocation Regime at GB Interconnection Points

Responses invited by: **24 April 2015**

Representative:	Graham Jack
Organisation:	British Gas Trading Limited
Date of Representation:	24 April 2015
Support or oppose implementation?	Support
Relevant Objective:	g) Positive

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

The proposal to introduce allocate-as-nominate provisions at Interconnection Points is a pragmatic and helpful development that will promote gas trading via the interconnectors. The removal of scheduling charges at Interconnection Points is a concomitant positive step forward. We have some remaining concerns regarding the Proportional Allocation aspect of the modification proposal, especially where an Adjacent TSO could dictate the allocation on the NTS and this might warrant some further industry discussion. However, on balance we believe the potential benefits outweigh the possible risks and we are therefore in support.

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

Implementation should be by no later than 1 October 2015 to complement other European-led changes expected to be introduced at that time.

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

Impacts and costs are expected to be low.

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

Yes.

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.*

None identified.

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

We have fully participated in the modification proposal's development process and made clear what we like about it and where we have reservations.

We remain of the view that certain rules to be introduced to the TSO-TSO Interconnection Agreements could have unintended commercial consequences for shippers should the rules either prove to be not fit for purpose or not fully adhered to by the TSOs. This modification proposal will introduce such certain rules to Interconnection Agreements. It is therefore necessary that appropriate governance arrangements are developed for relevant parts of the Interconnection Agreements to provide shippers with a means of promoting changes they consider necessary.