

Representation Draft Modification Report

Modification 0551: Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16

1. **Consultation close out date:** 5th November 2015
2. **Respond to:** enquiries@gasgovernance.co.uk
3. **Organisation:**
Gazprom Energy
Bauhaus, 5th Floor
27 Quay Street
Manchester
4. **Representative:**
Steve Mulinganie
Regulation Manager
stevemulinganie@gazprom-mt.com
07590 245 256
5. **Date of Representation:** 4th November 2015
6. **Do you support or oppose Implementation:**
We **Support** implementation of Modification **0551**
7. **Please summarise (in 1 paragraph) the key reason(s) for your position:**
We raised modification **0551** to provide an adequate level of protection (Soft Landing) from Ratchet charges for this winter only for customers being disaggregated under modification 0428. In developing the proposals we have taken into account Transporter concerns and have included a cross reference protection to the previous year's DM SOQ so that the facility provided cannot be abused. We also waited to raise the modification proposal so that the window for industry amendments had closed. This meant that prior sight of the proposed scheme could not be relied upon by industry parties when disaggregating. In doing so we recognised that this would introduce a degree of retrospection in relation to the proposal however we felt, on balance, that it was the prudent thing to do. For the soft landing to be fair and effective it must of course cover the whole of this year's winter period. Finally we would like to thank all the workgroup members and Xoserve for their help in developing the proposal
8. **Are there any new or additional Issues for the Modification Report:**
No

9. Self-Governance Statement Do you agree with the status?

Not applicable

10. Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

As stated in the final modification report we believe the proposal is positive in respect of relevant objective (d) By allowing customers and Shippers with relevant DM supply points the benefit of a soft landing (that is, an exemption from Ratchet Charges for the coming winter period) for a single supply meter point where previously this had been part of an aggregated Supply Point, appropriate notice would be provided to the Shipper and customer as to the potential impact of ratchets for the following year if the capacity requirement is not accurately recorded. Experience and data acquired during this period would provide accurate information of the site characteristics to the customer, incumbent Shipper and any potential new Shipper, increasing the accuracy of future capacity information resulting in more-accurate transportation charges. This benefits competition, furthering Relevant Objective d).

11. Impacts & Costs:

What analysis, development and on-going costs would you face if this modification was implemented?

We have not identified any significant costs associated with this modification

12. Implementation:

What lead times would you wish to see prior to this modification being implemented, and why?

We would like to see the modification implemented ASAP to provide clarity to the market now that we have commenced the winter period

13. Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

We have no comments on the Legal Text provided.

14. Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that you believe should be taken into account or you wish to emphasise.

No.