

Representation - Draft Modification Report 0563S

Moving the NTS Optional Commodity Charge Formula into the UNC

Responses invited by: **15 January 2016**

To: enquiries@gasgovernance.co.uk

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| Representative: | Jeff Chandler |
| Organisation: | SSE |
| Date of Representation: | 23/12/15 |
| Support or oppose implementation? | Support |
| Relevant Objective: | b) Positive e) Positive |
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Reason for support: Please summarise (in one paragraph) the key reason(s)

The NTS Optional Commodity Charge (OCC) is a charge allowed under section Y of the UNC. However, the formula used to calculate the OCC is published in the NTS Transportation Statement. This means that changes to the formula or the parameters of the formula can be changed unilaterally by National Grid without appropriate consultation with the industry or oversight by the Regulator. SSE considers that this lacks appropriate Governance.

If this modification is implemented, any party will be able to propose a change to the OCC formula or its parameters and not just National Grid, as is currently the case. In addition, any proposed changes will follow the robust governance approach of the UNC.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

SSE agrees that this modification is unlikely to have a material effect on gas consumers; competition, the operation of pipe-line systems, safety or security of supply because the proposed change is a simple movement of an existing formula.

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

As soon as possible after the UNC panel vote as the change is a simple movement of an existing formula.

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

This modification has no incremental impact or costs as it maintains the existing charging formula.

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

Not applicable.