

## 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](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Graham Jack
<b>Organisation:</b>	British Gas Trading Limited
<b>Date of Representation:</b>	14/01/16
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	<b>b)</b> Positive <b>e)</b> Positive

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

The NTS Optional Commodity Charge Formula currently has no formal change governance arrangements attached to it. This became apparent during industry discussions during 2015 and was a key issue of concern for those parties that responded to National Grid NTS's GCD11 discussion document on proposals for changing the formula. We firmly believe that formal change governance arrangements are required for the formula to (i) effectively advertise proposals for change, (ii) allow parties other than National Grid NTS to propose changes, (iii) ensure that impact assessments are made where appropriate, thus ensuring, for example, that the likely effects of changes for consumers and markets are fully thought through and (iv) that the Authority is formally engaged in the change process. This modification seeks to apply UNC modification processes and controls to the formula and will therefore help to achieve these requirements and to promote greater transparency and rigour for the charging methodology on which it is based. This is consistent with the treatment of other transportation charges.

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

We agree that self-governance is appropriate since the only change will be to move the formula from the Transportation Charging Statement to the UNC.

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

Implementation should be consistent with self-governance procedures.

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

None identified.

**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**