

Representation - Draft Modification Report 0572

Amendment to the definition of AUG Year within UNC TPD Section E

Responses invited by: **5pm 11 April 2016**

To: enquiries@gasgovernance.co.uk

Representative:	Richard Pomroy
Organisation:	Wales & West Utilities Ltd
Date of Representation:	11 th April 2016
Support or oppose implementation?	Support * <i>delete as appropriate</i>
Relevant Objective:	d) Positive * <i>delete as appropriate</i>

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

WWU supports this modification proposal for the following reason

- 1) We believe that information should be used as soon as reasonably practicable after it is available and that usually this will enable markets to work more efficiently. In this case we believe implementation will facilitate competition between Shippers.

We note

- 1) That this modification seeks to continue the current two month notice period between publication of the new AUGE table and its effective date after Project Nexus Implementation Date.
- 2) That the two month notice is consistent with the notice period for transportation charges published by Distribution Networks (see additional information)

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

We agree that this is not a self-governance Modification Proposal.

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

This modification should be implemented on Project Nexus Implementation Date with an expectation that the first table from the AUGE would come into effect on 1st October 2017.

We note the comment in another representation that “It was highlighted at the January 2016 [572] workgroup it may not be possible to implement UNC 0572 before October 2018”. We believe that this is an incorrect view of the discussion which was in the context of both having an October implementation **and** a 6 month notice period. The extract below is from the published minutes of this meeting.

SM asked if having 6 months’ notice ahead of the October date would be a problem, as an alternative might be to mirror this Modification 0572 but just propose more notice. FC thought it too tight to get the first output (for first year); an interim table would have to persist until October 2018.

<http://www.gasgovernance.co.uk/sites/default/files/Minutes%200572%2028Jan16%20v1.0.pdf>

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

WWU will not face any costs, it will not affect the AUGE process just the notice period. A procurement event is already in progress to appoint a new AUGE.

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.*

No

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

The current AUGE arrangements were introduced by Modification Proposal 0229 and these have a two month notice period between the publication of the table and its effective date. These AUGE arrangements were abolished by Modification Proposal 0432 and this would have come into effect on the Project Nexus Implementation Date. Subsequently Modification Proposal 0473 was raised and implemented that reintroduced the role of AUGE with a nine month notification period. Centrica, raised an alternate to 0473, 0473A, which had a two month implementation period as well as other differences. Therefore the current arrangements are a two month notice period but it is true that the enduring arrangements will have a nine month notice period unless changed by a modification.

We note that the period of two months is consistent with other charging requirements set out in Uniform Network Code – Transportation Principal Document Section B:

1.8.2 The Transporter agrees that, except where any other provision of the Transporter's Licence requires notice of a shorter period to be given:

- a) each notice given by it to the Authority pursuant to Standard Special Condition A4(2)(d) of the Transporter's Licence will be given, and published in accordance with Standard Special Condition A4(3)(a) thereof, not less than 2 months before the date on which its proposals therein referred to are (pursuant to a revised Transportation Statement) to be implemented;
- b) each statement or revision thereto sent by it to the Authority pursuant to Standard Special Condition D18 of the Transporter's Licence will be sent to the Authority, and sent to Users, not less than 2

months before the date on which its proposals therein referred to are (pursuant to a revised Metering Charges Statement) to be implemented.