

## Representation - Draft Modification Report UNC 0619 0619A 0619B Application of proportionate ratchet charges to daily read sites

**Responses invited by: 5pm on 01 March 2018**

**To:** [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

<b>Representative:</b>	Mark Jones
<b>Organisation:</b>	SSE Supply
<b>Date of Representation:</b>	01 March 2018
<b>Support or oppose implementation?</b>	0619 - Oppose 0619A - Oppose 0619B - Support
<b>Alternate preference:</b>	<i>If either 0619 or 0619A or 0619B were to be implemented, which would be your preference?</i>  0619B
<b>Relevant Objective:</b>	a) <b>0619A</b> - None b) <b>0619A</b> - None c) <b>0619A</b> - None d) <b>0619</b> - Negative <b>0619B</b> -Positive

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

SSE is not supportive of 0619, as we believe that it gives no incentive for shippers to declare the correct levels of SOQ values, as the charges specified for a site ratcheting within this modification are at the level that would be applied even if the shipper had declared the correct SOQ in the first instance. It, therefore, provides a free 'one-way bet' for shippers and provides no incentive for correct SOQs to be declared.

SSE is not supportive of 0619A for mainly the same reasons as above, where shippers can under declare SOQ levels without penalty, albeit for much smaller customers, without any form of incentive payment.

SSE supports 0619B as it provides an incentive for shippers to declare correct levels of SOQ values, but at the same time will protect shippers from the currently penal rates that they can incur should sites ratchet.

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

We do not believe that any of the modifications meet the self-governance criteria.

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

Any modification implemented should be done so in order to amend the ratchet regime from October 2018.

**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.

**Modification Panel Members have requested that the following questions are addressed:** *Remove Section if no questions*

*Q1: Please provide clear views and supporting evidence on the self-governance status of this modification focusing, in particular, on whether this proposal is likely to have a material impact upon competition in the shipping, transportation or supply of gas.*

No comment.

*Q2: Respondents to provide a view as to whether or not this modification should be [re]designated as self-governance.*

We do not believe that any of the modifications meet the self-governance criteria.

*Q3: Please provide your views on the self-governance status.*

We believe that these modifications should go to the Authority for a decision.

**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**