Joint Office of Gas Transporters

Representation - Draft Modification Report UNC 0831 0831A

0831 – Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method

0831A - Allocation of LDZ UIG to Shippers (Class 2, 3 and 4) Based on a Straight Throughput Method

Responses invited by: 5pm on 19 October 2023

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Daniel Wilkinson
Organisation:	EDF Energy
Date of Representation:	19th October 2023
Support or oppose implementation?	0831 - Support 0831A - Support
Alternate preference:	
Relevant Objective:	831 d) Positive f) Positive 831A d) Positive f) Positive
Relevant Charging Methodology Objective:	Not Applicable

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

The current methodology which allocates UiG to customer types assumed to contribute greatest to the cause of UiG does not represent a fair charging methodology when it is widely accepted that accurately defining the cause and customer type who contributes is

almost impossible. With the largest contributor being theft, this also penalises a customer group assumed to contribute most towards theft whereby the users in that group thieving the gas are unlikely to pay their share towards the cost through unidentified gas charging. Meaning a group of customers could be being penalised through actions of user customers amongst that user type. These modifications equalise the unidentified gas share across all user types.

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

Lead time should be with at least enough notice for the proposed change to feed into the following Energy price Cap being set.

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?*

No Comment

Modification Panel Members have requested that the following questions are addressed:

Q1: Do you have views on the effect of these two alternatives on end consumers?

This reduces UiG forecast variability by shippers which could result in more accurate pricing for customers. It does however remove incentive for customers to be settled on more granular product classes which could reduce industry consumption visibility if this resulted in less uptake for sites to be daily metered for example.

Q2: Is the process in electricity comparable? (please explain)

We believe it is, for electricity the use of GSP correction factors are used which allocates volume differences equivalent to UiG on an equal basis for all user types within a GSP. This has the same purpose as UNC831.

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 comment

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

No comment