

Representation - Draft Modification Report UNC 0865S

Permitting DNOs to charge Shippers negative Supplier of Last Resort (SoLR) unit rates

Responses invited by: **5pm on 09 January 2024**

To: enquiries@gasgovernance.co.uk

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

Representative:	David Mitchell
Organisation:	Scotland Gas Networks Ltd & Southern Gas Networks Ltd
Date of Representation:	9 th January 2024
Support or oppose implementation?	Support
Relevant Objective:	c) Positive d) Positive
Relevant Charging Methodology Objective:	c) Positive

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

SGN supports the implementation of this modification as it addresses a gap that currently exists in the Uniform Network Code whereby Distribution Network Operators are unable to make net negative Supplier of Last Resort (SoLR) payments to Shippers. When the resulting legal text from modification 0797 was introduced into the UNC it didn't envisage net negative payment refunded to Shippers. This modification will be positive for relevant objective c) efficient discharge of the licensee's obligations as it will allow DNO's to process claims from suppliers as obligated by Standard Special Condition A48. This modification is also positive for Relevant Objective d) Securing of effective competition between shippers as it allows net negative claims to be refunded to the Shippers. We also agree that this modification is positive for relevant charging methodology objective c).

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

We believe that this modification meets the self-governance criteria.

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

We believe that this modification could be implemented as soon as possible in line with the existing self-governance implementation guidelines.

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?*

We believe that the legal text will facilitate the solution set out in the modification proposal.

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

Q1. Consider unintended consequences of allowing positive and negative SOLR charges.

We are not aware of any unintended consequences of implementing this modification.

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

We have no further analysis or information to provide in support of our representation.