

Representation - Modification UNC 0797 (Urgent) Last Resort Supply Payments Volumetric Charges

Responses invited by: **5pm on 04 January 2022**

To: enquiries@gasgovernance.co.uk

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

Representative:	Rebecca Hooper
Organisation:	Mineral Products Association
Date of Representation:	4 th January 2022
Support or oppose implementation?	Support/Oppose/Qualified Support/Comments * <i>delete as appropriate</i>
Relevant Charging Methodology Objective:	a) Positive/Negative/None * <i>delete as appropriate</i> c) Positive/Negative/None * <i>delete as appropriate</i>

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

The Mineral Products Association (MPA) supports this modification but would not support volumetric allocation without segregation into domestic and non-domestic sectors.

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

Implementation should be as soon as possible to ensure that charges are appropriately allocated between sectors and across consumers.

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

No Comment

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

No Comment

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

Industrial gas consumers are exposed to market cost risks as their suppliers pass on increased costs through their energy bills. Domestic customers are protected by the price cap – meaning that it is the supplier taking the market cost risk rather than the domestic consumer. The additional costs resulting from “supplier of last resort” measures result mainly from failures in the domestic market, with few industrial energy suppliers falling into difficulty. As such, it is unfair to allocate costs resulting from domestic supply issues to industrial consumers already paying market costs; therefore the MPA strongly support this proposal for market segregation.