

Representation - Draft Modification Report UNC 0818

Releasing of unused capacity under a specific set of circumstances

Responses invited by: **5pm on 24 February 2023**

To: enquiries@gasgovernance.co.uk

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

Representative:	Mark Jones
Organisation:	SSE Energy Supply Limited
Date of Representation:	24 February 2023
Support or oppose implementation?	Oppose
Relevant Objective:	<p>a) Negative</p> <p>c) Negative</p> <p>d) Negative</p>
Relevant Charging Methodology Objective:	Not Applicable

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

We are opposed to this modification on the basic principle that if a customer has paid for and continues paying for capacity, they should keep that capacity even if they do not use it for a significant period of time. The DNO can approach a customer directly to discuss a capacity reduction, but if the customer wants to retain the full capacity, they should be able to do so.

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

We do not believe the modification should be implemented. However, if it is then the 3 year period for the monitoring of the use of capacity by a site that falls within the stated criteria should start at the point of implementation of the modification and the transporter should not be able to look back 3 years (or soon after) from the date of implementation. If this is not the case then the modification has an element of retrospection, as sites may have behaved differently knowing that they may lose capacity if they hadn't used it in a 3 year period.

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 have not reviewed the legal text.

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

Q1: Do you have comments on the Modification's impact on sites that may be identified in the future?

The modification is likely to create a situation where sites use more gas than they need to use just to guarantee keeping the capacity if they believe they will lose capacity due to not using it.

Q2: Is the magnitude of the change proportionate to the need?

No, as whilst the proposer states it will only affect a small number of sites, it will create uncertainty for many Class 1 sites.

Q3: Do you have comments on the mechanism by which the capacity of an end-user consumer could be reduced?

Any reduction should be agreed bilaterally between a DNO and an end-user.

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 retrospective element of the modification has not been considered as the proposer believes it could be implemented as soon as directed by the Authority. Telling a customer that they are going to lose capacity because they have not used it for the past 3 years (and so can do nothing about it) is likely to have a different impact to telling a customer they will lose capacity if they do not use it in the next 3 years.