

## Representation – Draft Modification Report UNC 0852

### Shipper notification in relation to option exercise for Customer Demand Side Response

Responses invited by: **5pm on 22 February 2024**

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

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

|   |                        |
|---|------------------------|
| <b>Representative:</b>                          | Tom Stuart             |
| <b>Organisation:</b>                            | Wales & West Utilities |
| <b>Date of Representation:</b>                  | 20.2.24                |
| <b>Support or oppose implementation?</b>        | Support                |
| <b>Relevant Objective:</b>                      | d) Positive            |
| <b>Relevant Charging Methodology Objective:</b> | Not Applicable         |

**Reason for support/opposition:** *Please summarise the key reason(s) for your support or opposition.*

Wales & West Utilities offers support for this modification as there are benefits of providing a notification to Shippers when a site enters DSR, and without a notification, a Shipper may incur imbalance charges which if passed onto customers would make DSR less attractive at a time when the industry is looking to increase customer engagement in DSR. The DSR arrangements already provide for notification to DNOs and we support this arrangement being extended to Shippers.

As DSR is a pre-Gas Deficit Emergency activity designed to reduce the likelihood of a Gas Deficit Emergency occurring, and not an active emergency, we think it is reasonable to communicate with shippers when their site enters DSR. The proposer of the modification does not prescribe the type of communication method to be used and has left this open for impacted parties to agree which is the most appropriate.

We believe the modification furthers relevant objective d) Securing of effective competition: (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

**Impacts and Costs:** *Please provide a view on the impacts and costs you would face.*

None

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

This modification should be implemented in a time to allow impacted parties to make system changes if required.

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

Yes

**Ofgem Questions:** *Ofgem and Panel have requested that the following questions be addressed.*

**Q1:** *If appropriate for your business, please explain what arrangements are already in place for large consumers to report any emerging issues (such as unplanned shutdowns) to shippers. Following this, please explain what barriers are in place to prevent similar arrangements being used for Demand Side Response communications.*

N/A

**Q2:** *The panel have also asked you to please provide your views and reasons on the appropriate governance for this Modification - Self-governance or Authority Direction.*

We believe this modification meets the self-governance criteria as the change is a low materiality due to low volumes of sites and the requirement to communicate outside of an emergency scenario.

**Q3:** *Please provide additional evidence in respect of the materiality of this Modification, i.e. Shippers, Suppliers and Customers as to why National Gas Transmission should be required to provide this service over and above normal BAU activities that apply to a Customer's normal contractual interaction with its Supplier and/or Shipper, and from National Gas as to why providing this service may have a material impact on the operations of the Control Room.*

As communication is provided by NGT to DNOs in this scenario, which is required should a DNO be required to become active in a Gas Deficit Emergency, then it would be low impact on NGT to also share communication with Shippers. If the argument against providing a notification is that under BAU notification is not provided so it shouldn't be provided under DSR, which by implication is regarded as BAU, this undermines the argument that the NGT team are so resource constrained (given that they are operating under BAU and therefore should be adequately resourced) that they are unable to notify Shippers when they already have an obligation to notify DNOs. If the argument is that DSR is not BAU, NGT are doing something outside of BAU and should clearly notify Shippers that they are requiring one of the Shipper's customers to do something outside of normal business processes.

**Error or Omissions:** *Are there any errors or omissions in this Modification Report that you think should be taken into account? Please include details of any impacts/costs to your organisation that are directly related to this.*

None

**Additional analysis:** *Please provide below any analysis or information to support your representation.*

None