

Representation

Draft Modification Report

0333/0333A - Update of the default System Marginal Buy Price and System Marginal Sell Price

Consultation close out date: 11 February 2011

Organisation: First Utility

Representative: Chris Hill

Date of Representation: 11 February 2011

Do you support or oppose implementation?

0333: Qualified Support

0333A: Support

If either 0333 or 0333A were to be implemented, which would be your preference?

Prefer 0333A *delete as appropriate*

Please summarise (in one paragraph) the key reason(s) for your support/opposition and preference.

Although First Utility supports the proposed amendments to the default System Marginal Buy and Sell Prices we agree with the Proposer of 333A's view that both proposals predominantly facilitate SSCs A11.1 (a), (c) and (d) of the Gas Transporter's Licence. In light of this, it would therefore seem appropriate that the majority of the implementation costs are borne by Transporters.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No.

Relevant Objectives:

How would implementation of either modification impact the relevant objectives?

Both Modifications would facilitate the coordinated, efficient and economic operation of the pipeline system and the efficient discharge of the licensee's obligations.

Impacts and Costs:

What analysis, development and ongoing costs would you face if either modification were implemented?

First Utility would be liable for a proportion of the costs associated with the required system changes to be made by Xoserve. The ROM estimate of £205k - £227k seems high for what should be a fairly straightforward piece of work.

Implementation:

What lead-time would you wish to see prior to either modification being implemented, and why?

We do not believe that any lead time is required in the case of either Modification and that the implemented Modification could potentially come into effect immediately after approval being given by Ofgem.

Legal Text:

Are you satisfied that the legal text will deliver the intent of each modification?

NB: while formal legal text has not been provided, Suggested Text has been included in the modifications and comments on this will be helpful when the text is finalised.

Yes.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

No.