

## Representation - Draft Modification Report 0534S

### Maintaining the efficacy of the NTS Optional Commodity ('shorthaul') tariff at Bacton entry points

Responses invited by: **10 September 2015**

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

<b>Representative:</b>	Charles Ruffell
<b>Organisation:</b>	RWE Supply and Trading
<b>Date of Representation:</b>	10 <sup>th</sup> September 2015
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	a) Positive d) Positive

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

A consequence of splitting the Bacton ASEP to comply with EU Capacity Allocation Mechanisms (CAM) Network Code is that a User will only be able to link one of the newly created ASEPs to a nominated NTS exit point. This will reduce the volume of gas that may be eligible to be shipped under the Optional Commodity Tariff, leading to a further reduction in flexibility at Bacton on top of that arising as a consequence of the capacity reallocation process. This modification Proposal would, for all intents and purposes, maintain the current Optional Commodity Tariff eligibility criteria by introducing a "Combined ASEP" for calculating entry allocations. This change reflects the physical reality at Bacton and is for the purpose of the Optional Commodity Tariff only.

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

Our view is that this does meet the self-governance criteria. However, we do recognise that there is likely to be a split in views at the Panel regarding User Pays. It is unclear to us how this can be resolved by the Panel. On this basis, a decision should be made by Ofgem under standard UNC governance.

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

Ideally implementation should be by the 1<sup>st</sup> November.

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

Some additional back office costs.

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

Yes.

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

*Q1: Views are sought on the allocation of User Pays costs and whether Transporters or Shipper Users should fund these?*

We do not think that this is User Pays as it is not a new or additional service, rather the modification proposal seeks to retain a service that is already available.

**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**

None.