

Representation

Draft Modification Report

0376 and 0376A: Increased Choice when Applying for NTS Exit Capacity

Consultation close out date: 06 January 2012

Respond to: enquiries@gasgovernance.co.uk

Organisation: SSE

Representative: Jeff Chandler

Date of Representation: 23 Dec 2011

Do you support or oppose implementation?

0376 - Support

0376A - Support

If either 0376 or 0376A were to be implemented, which would be your preference?

SSE prefer 0376.

The only difference between the two modification proposals is that 0376 lowers the ad-hoc threshold trigger from 10 to 1 GWh/day. We recognise that NG has concerns with the potential volume of 1 GWh incremental requests from the ad hoc process. However, based on data provided by NG we do not expect there to be a large number of these such that this becomes an issue.

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

This mod was raised to increase the level of choice available to Users when applying for Enduring Annual NTS Exit (flat) Capacity. SSE believe the proposal will improve flexibility for making new and incremental exit capacity bookings by : 1. allowing for ad hoc applications beyond Y+4 up to Y+6. 2. lowering the threshold trigger for using the ad hoc process from 10 to 1 GWh/day. 3. allowing for applications in the July window to be from a non-October start date whilst remaining consistent with the 38 month lead-time and User commitment principles.

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

No

Self Governance Statements:

Do you agree with the Modification Panel's decision that these should be self-governance modifications?

Yes

Relevant Objectives:

How would implementation of these modifications impact the relevant objectives?

SSE agree that these proposals will better facilitate relevant objectives c) and d).

SSC A11(c) efficient discharge of licensee's obligations, SSE believe providing more notice of exit capacity bookings beyond Y+4 and allowing an actual start month other than October will support more timely and hence economic and efficient investment in the system.

SSC A11(d) Securing of effective competition, SSE believe that reducing the threshold to 1 GWh and allowing non-October start dates will allow capacity bookings to be matched to User requirements. This means Users can avoid unnecessary costs by having to book capacity before it is required and by having to book an unnecessary quantity of capacity. This will ensure that shippers only incur costs reflective of their needs and thus facilitate competition.

Impacts and Costs:

What analysis, development and ongoing costs would you face if these modifications were implemented?

As a Shipper holding exit capacity, SSE will incur a share of the costs of implementation.

Implementation:

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

SSE would like implementation to take place as soon as possible. This will then provide maximum flexibility for Users to make capacity bookings.

Legal Text:

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

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.