

Representation

Draft Modification Report

0419: Redefining the capacity of the Specified Exit Point used in the calculation of the NTS Optional Commodity tariffs

Consultation close out date: 11 June 2012
Respond to: enquiries@gasgovernance.co.uk
Organisation: Scottish Power
Representative: Gerry Hoggan
Date of Representation: 11 June 2012

Do you support or oppose implementation?

Support

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

We recognise the value of the optional commodity tariff and the benefits that it brings to individual users. We also acknowledge that it has advantages for the development of a more integrated transportation network in that it avoids the likelihood of piecemeal pipeline construction by individual users where that may otherwise be more economic than paying the full commodity tariff. Thus, users are incentivised to utilise the NTS resulting in greater overall efficiencies.

Allowing for how the tariff is currently structured and the applicable formula applied, these advantages would be lost in some instances when the reformed exit regime comes into force in October 2012. As such the implementation of this modification would preserve these benefits and ensure that the tariff remained an option for as wide and consistent an application as possible.

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

We note that during discussions National Grid had indicated that there would be little or no impact on shippers who currently utilised this tariff. It would have been of value to have had any such impact more expressly stated although remaining mindful of commercial sensitivities, together with an appropriate confirmation that those shippers affected had been made aware of the extent of any potential impact.

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Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We agree with the Modification Report's assessment of how this change would impact on the Relevant Objectives.

Impacts and Costs:

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

We do not anticipate any such impacts and costs.

Implementation:

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

Allowing for this change being linked to the changes in the exit regime that will take effect on 1 October 2012 it would be appropriate to implement this change to align with that date.

Legal Text:

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

We are satisfied that the legal text appears to deliver the intent of the modification.

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.