

Representation – Modification

UNC 0728/A/B/C/D (Urgent)

Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS

0728	Introduction of a Conditional Discount for Avoiding Inefficient Bypass of the NTS
0728A	Introduction of Conditional Discounts for Avoiding Inefficient Bypass of the NTS
0728B	Introduction of Conditional Discount for Avoiding Inefficient Bypass of the NTS with 28km distance cap
0728C	Introduction of a Capacity Discount to Avoid Inefficient Bypass of the NTS
0728D	Introduction of Conditional Discounts for Avoiding Inefficient Bypass of the NTS

Responses invited by: 5pm on 26 June 2020

To: enquiries@gasgovernance.co.uk

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

Representative:	Nigel Bradbury
Organisation:	Energy Intensive Users Group
Date of Representation:	25/6/2020
Support or oppose implementation?	0728D - Support
Expression of preference:	<i>If either 0728, 0728A, 0728B, 0728C or 0728D were to be implemented, which would be your preference?</i> 0728D
Relevant Objective:	0728D: c) Positive d) Positive
Relevant Charging Methodology Objectives:	0728D: a) Positive aa) Positive b) Positive c) Positive e) Positive

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

0728:

Oppose: The modification does not offer enough incentive for industry to remain connected to the gas grid.

0728A

Oppose: The modification does not offer enough incentive for industry to remain connected to the gas grid.

0728B

Oppose: The modification does not offer enough incentive for industry to remain connected to the gas grid.

0728C

Oppose: The modification does not offer enough incentive for industry to remain connected to the gas grid.

0728D

A shorthaul product should act as a real incentive to remain connected to the National Transmission System (NTS) and contributing towards the transporters allowed revenue (and not simply offering a small discount). The other modifications do not offer sufficient incentives for industries to remain connected to the NTS.

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

It is essential for UK industry that a shorthaul product is implemented for October 2020.

Many industries are already planning alternative arrangements for reinstating or building their own pipelines and payback will be within months (if no shorthaul product is implemented). If this happens, these businesses and their Transmission charges will be lost from the National Transmission System for good and the costs recouped from all of the other users.

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

N/A

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

No comment.

Respondents are requested to provide views on the following points:

Q1: Respondents are requested to provide a view as to whether the solution provided within the Modification(s) is fully compliant with the relevant legislation (including, but not limited to, Articles 28-32 of the Tariff Network Code).

Insert Text Here

Q2: Respondents are requested to provide views on the proposed implementation date(s).

It is important that implementation of a shorthaul modification that provides a real incentive for users not to build their own pipeline system is implemented for October 2020.

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

N/A

Please provide below any additional analysis or information to support your representation

The modifications do not anticipate businesses from local areas joining forces to finance, build and maintain their own alternative pipelines and therefore overestimate the true cost of moving off-grid.

A shorthaul product should act as a real incentive to remain connected to the National Transmission System and contributing towards the transporters allowed revenue (and not simply offering a small discount).

If a product is not implemented for October 2020, there is a real risk that industry within a regional cluster will move off grid together. Those lost revenues will then need to be financed by all other gas consumers.