

Representation - Modification UNC 0788 (Urgent)

Minimising the market impacts of 'Supplier Undertaking' operation

Responses invited by: **5:15pm on 20 October 2021**

To: enquiries@gasgovernance.co.uk

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

Representative:	Gerry Hoggan
Organisation:	Scottish Power
Date of Representation:	20 th October 2021
Support or oppose implementation?	Qualified Support
Relevant Objective:	a) Positive d) Positive
Relevant Charging Methodology Objective:	Not Applicable

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

We are generally supportive of the Proposal in that it would appear to offer an option which would allow suppliers to utilise other shipping arrangements to mitigate the impacts of a failed shipper with whom they had a commercial arrangement. However, we are sceptical that shippers are likely to have arrangements with multiple shippers in place or that in current market circumstances alternative shippers would be available to contract with on sustainable terms and conditions. As such we remain dubious about the extent to which the Proposal will have a beneficial impact on the financial implications arising from failed shippers and would suggest that alternative solutions should still be explored with industry.

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

We agree that allowing for current market circumstances the Proposal should be implemented as soon as practicable

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

none

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

The legal text has not been subject of review allowing for the abbreviated consultation timescale.

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.*

One of the rationales for the proposal, and the related MOD0789, appears to be the assumption that all other Shippers are otherwise balanced but no evidence to support that assumption has been provided.

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

None