

Representation - Modification UNC 0797 (Urgent) Last Resort Supply Payments Volumetric Charges

Responses invited by: **5pm on 04 January 2022**

To: enquiries@gasgovernance.co.uk

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

Representative:	Clare Manning
Organisation:	EON
Date of Representation:	04/01/2022
Support or oppose implementation?	Oppose
Relevant Charging Methodology Objective:	a) None c) None

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

As with our representation on Modification 0687 our primary concern is with the timelines for implementation and that there has been no discussion of this modification at work group to really understand whether the solution will deliver the intention or to ascertain the full impacts.

The modification mentions the possibility of both an interim and enduring solution; we would again question the benefit of an interim solution for the reasons outlined in our response to 0687, namely that a) there already exists a mechanism for LRSP recovery and b) the significant amount of industry change already planned for Q1 2022.

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

We have not had sufficient time to properly impact assess this change so we are unsure if shippers would be able to deliver the required system changes in time for a 1 April 2022 delivery. Our preference would be a robust, enduring solution in April 2023

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

As currently proposed shippers would face costs in implementing an interim solution and then again for implementing the enduring solution. We have not yet had the opportunity to fully impact access and are unsure if we could deliver the changes in time for 1 April 2022

We would require all DNs to complete the charging statement in a consistent way; if each party does it differently this will add cost in the form of resources to validate the invoices.

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

The legal text regarding the use of the term “Specified Amount” appears to both refer to the whole amount of a Supplier’s claim and then immediately be then defined as the amount notified by the Authority to a specific DN Operator, so this should be clarified by eg. “Total Specified Amount” and “DN Operator’s System Specified Amount” or similar.

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.*

As with Modification 0687, the issue that costs are split based solely on the number of meter points in each region, regardless of type remains. When Ofgem splits the costs between the DNs, it should do so taking into account their respective domestic and non domestic meter split.

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

No comment