

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:	Gareth Evans
Organisation:	ICoSS
Date of Representation:	29 th December 2021
Support or oppose implementation?	Support
Relevant Charging Methodology Objective:	a) Positive c) Positive

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

ICoSS agrees with the proposer that the lack of any explicit provision to recover SoLR costs from the market sector they originate from will create a cross-subsidy between the non-domestic and domestic sectors from any LRSP claims arising. This modification provides a clear process for apportioning costs between domestic and non-domestic sectors and so will further relevant objectives a) and c).

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

To avoid a significant cross-subsidy between the domestic and non-domestic markets it is critical that this solution is delivered in time for the GDNs to take account of it when setting transportation charges at the end of January 2022.

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

Members will incur marginal costs in adjusting prices to take account of the revised transportation charging methodology.

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

We have not reviewed the legal text.

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.*

None

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

We note that this modification is effectively an alternate to UNC Modification 0687V. When the two modifications are compared, we believe that UNC Modification 0797 is marginally more beneficial compared to UNC Modification 0687V, in that it intends to base charges on a peak capacity basis so aligning costs with consumption. For the avoidance of doubt ICoSS is supportive of both modifications as they remove any cross-subsidy between domestic and non-domestic markets from SoLR events.