

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:	Robert Johnstone
Organisation:	Utilita
Date of Representation:	05/01/2022
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)*

Utilita's response is 2-fold; the process and the solution.

Due to the urgent nature of this modification and the timing over the Christmas period we have not been able to give the modification the appropriate levels of consideration required, impacting the quality of input and engagement on this modification. This modification will directly impact domestic customers and the process conducted for this modification is very likely to result in a low-quality assessment and casts concerns on any decision made. Whilst the timing is unfortunate, expediting a material change on a limited quality assessment, when considering the magnitude of costs involved to be redistributed is not appropriate. Utilita support reconsideration of the modification at a later date once it has been through a more rigorous end-to-end change process.

We do not approve of the modification intention. This sort of modification to separate out industry-wide costs is usually to apply commercial incentives to rectify issues (by introducing a polluter pays style model). In this case focussing costs on to remaining domestic suppliers does not create commercial incentives nor a polluter pays model. We see no justification for a move to separating out domestic and commercial suppliers in the way proposed. Failed suppliers are a byproduct of current market conditions which this mod doesn't address.

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

We do not support implementation of this modification as proposed in the modification report. We would like to see this change revisited and diligently assessed prior to any further proposed implementation.

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?*

N/A

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.*

N/A

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

N/A