

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:	Smitha Coughlan
Organisation:	WWU
Date of Representation:	4 th January 2022
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)*

WWU supports this modification as it more accurately apportions cost from Supplier of Last Resort (SoLR) events to the appropriate market sector.

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

The suggested timeline causes concern for WWU; specifically, around timescales for calculation of pricing models and obtaining internal governance acceptance prior to final publication of prices on the 31st January. Also of note is the modification 0687V that proposes a different solution to the issue. This modification puts additional demands on resources at an already time sensitive period.

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

To implement for April 2022 a temporary solution will be required with an enduring solution to follow. We have not done a detailed review of cost impact.

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

We have not identified anything to indicate that the legal text will not deliver the intent of the Solution; however, we do have point to make regarding the transition text. This requires a DN to process valid Supplier of Last Resort Payment claims received by 31st December 2021. We acknowledge the recently issued statutory consultation on changing the date in Standard Special Condition A48 and the letter of comfort issued by Ofgem (referenced in the modification); nevertheless, as the licence currently stands the proposed UNC text requires DNs to set charges in breach of licence. It may well be that

by the date on which DNs are required to publish charges that Ofgem will have directed a change to the data in SSC A48 thereby resolving the problem.

We are raising this as we do not believe that it is good practice to have text that requires a party to breach licence even when the expectation is that this will be resolved.

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.*

No

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

We again draw attention to the restricted timescales that arise from the proposed timeline. Pricing Model calculation, data assurance and board sign off usually take a minimum of 10 workings days to achieve. Reducing this timeline increases the risk of material error in our pricing calculations.