

## Representation - Draft Modification Report UNC 0809S

### Distribution of Last Resort Supplier Payment (LRSP) claims to include IGT sites

**Responses invited by: 5pm on 12 August 2022**

To: [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

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

<b>Representative:</b>	David Mitchell
<b>Organisation:</b>	Scotland Gas Networks Ltd and Southern Gas Networks Ltd
<b>Date of Representation:</b>	12 <sup>th</sup> August 2022
<b>Support or oppose implementation?</b>	Comments
<b>Relevant Objective:</b>	c) Negative f) Negative
<b>Relevant Charging Methodology Objective:</b>	a) Negative

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

SGN is unable to offer its support to this modification as the Independent Gas Transporters already have the licence condition to recover Last Resort Supplier Payments from their system users therefore this modification in our opinion does not further the relevant objective as it is not efficient to reinstate an obligation on Transporters to fulfil this process.

We believe that as the iGT's have recovered the LRSP from their system users for the period 2022/23 this highlights that the systems and processes are already in place. There is no obvious reason why the IGTs should not then pass these LRSP payments directly to the LRSP recipient.

If all Transporters (including IGTs) recover the respective percentage of LRSP based on their own meter point volumes, this would prove a fairer method of proportioning the SoLR claims as well as providing a greater degree of transparency to the industry when Transporters set their charges.

Ofgem posed the question regarding an enduring solution to facilitate LRSP for IGT's within their recent open letter "[IGT LRSP Open Letter](#)" however did not provide a direction to industry within their response. As we stated in our response to that Open Letter, SGN remain of the view that IGTs should be responsible for their own processes and sites, and that appropriate changes should be made to 'switch-on' the relevant

sections of their licence. It is our view that Ofgem should provide a direction on this matter based on the responses received to their open letter.

**Self-Governance Statement:** *Please provide your views on the self-governance statement.*

SGN agrees with the workgroup position that this does not meet the Self Governance criteria due to the expectation from Ofgem within their response to the “IGT LRSP Open Letter” that their expectation is for a review of the proposed modification.

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

We believe that the proposal that the modification is not implemented any sooner than the 1st April 2023 is acceptable.

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

SGN has not undertaken any analysis of any potential costs resulting from the implementation of this modification.

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

We are satisfied that the legal text fulfils the solution in the modification.

**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 identified.

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

None identified.