

Representation - Draft Modification Report UNC 0818

Releasing of unused capacity under a specific set of circumstances

Responses invited by: **5pm on 24 February 2023**

To: enquiries@gasgovernance.co.uk

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

Representative:	Tom Stuart
Organisation:	Wales & West Utilities
Date of Representation:	
Support or oppose implementation?	Support
Relevant Objective:	<p>a) Positive</p> <p>c) Positive</p> <p>d) Positive</p>
Relevant Charging Methodology Objective:	Not Applicable

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

Wales & West Utilities agrees that this modification is an efficient option to allocate capacity to other users in an area of the network where the system is constrained. We therefore believe this modification furthers relevant objective:

- a) Efficient and economic operation of the pipe-line system,
- c) Efficient discharge of the licensee's obligations, and
- d) Securing of effective competition:
 - (i) between relevant shippers;
 - (ii) between relevant suppliers; and/or
 - (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers

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

The modification should be implemented as soon as reasonably practicable following direction from the authority.

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

We do not foresee any cost impacts related to this modification.

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

Yes

Modification Panel Members have requested that the following questions are addressed:

Q1: Do you have comments on the Modification's impact on sites that may be identified in the future?

The rules that must be satisfied for the process in this proposal to apply are tightly defined and the number of sites to which this process may be applied in the future will be extremely small.

Q2: Is the magnitude of the change proportionate to the need?

We recognise the concerns raised by Shippers in relation to transporters being able to remove capacity from Shippers; however, if capacity is booked but there is no realistic likelihood of it being used then it cannot be regarded as efficient use of the network. Such capacity blocking may prevent others from connecting to that part of the network as they are faced with paying for reinforcement even though in reality it will not be needed.

Q3: Do you have comments on the mechanism by which the capacity of an end-user consumer could be reduced?

The process for reducing the capacity does contain a number of controls and safeguards as outlined in the solution and we think that these should provide sufficient safeguards for customers in the extremely low numbers of cases where its use may be considered.

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

None