

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:	Louise Hellyer
Organisation:	TotalEnergies Gas & Power
Date of Representation:	
Support or oppose implementation?	Oppose
Relevant Objective:	a) None c) None d) None
Relevant Charging Methodology Objective:	Not Applicable

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

We are concerned about the impacts of this modification on to the end customer, as well as the precedent it sets. If conversations have been unfruitful for reductions to occur at certain sites, we must assume the customers are happy to pay for the capacity they have. It therefore seems penal to unilaterally remove this from customers. Particularly when this is only in cases where the transporter is then going to offer the capacity to others, not also where they believe the customer is over paying and no one else wants the capacity. They are not applying it consistently but only to those where they see it as a benefit to them/new customers. It does not feel that they have all end consumers best interests at heart.

We unsure why category A sites are carved out. Why is Priority type A different to B/C it feels it should at least be consistent for all Priority Supply Points. Is there a justified reason why a Priority site can over pay for unused capacity vs a "normal site"?

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

If this were to be implemented, we would expect to see at least a full capacity reduction period prior to implementation. This would be to allow Customers to adjust capacities for sites should they wish to in a more controlled manner. As the modification would not protect any sites against an unexpected reduction all may well want to review capacities.

We are aware there are some sites identified already for this new process. We would also expect a full list of those identified sites clearly communicated before the start of that capacity reduction period before implementation.

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

We would expect the impact to current customers to be negative, changes to quick to contractual arrangements they have in place, which are not well targeted, and hard for shippers to identify sites (due to the “network constraint element”).

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

Not reviewed

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?

We are concerned about how this will impact customer experience, particularly linked to the 30 calendar day window for the process, It seem a short time to ensure the customer is fully aware of the implications and has adequate time to assess impacts to them and respond. The shippers are the middleman implementing something for others, a contact at Networks the customer can speak to directly on this process should they wish might be very helpful. It is the Network picking and choosing sites but generally customers don't understand this distinction when contacted by shipper/supplier.

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

It seems likely this could be addressed better in another way. It is a very blunt tool, with nothing but pain for the customer. We do not agree it will avoid unnecessary reinforcement works as the customer is happy paying for this and may therefore be expecting to use it at a future date, which would mean the reinforcement would be needed either now or later. It is just a question who ends up having to pay for it and in this proposed model the current customer would have to pay to get back something they had taken away from them.

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

No Comment

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