

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:	Eddie Proffitt
Organisation:	Major Energy Users Council
Date of Representation:	01 March 2023
Support or oppose implementation?	
Relevant Objective:	<p>a) Negative</p> <p>c) Negative</p> <p>d) Negative</p>
Relevant Charging Methodology Objective:	Not Applicable

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

Since privatisation a consumer has had the right to determine their present and future capacity requirement and to contract with a shipper to book this on their behalf with a transporter. This modification removes that right and transfers it to the GDN, which has never been their role.

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

Never, as it removes the fundamental right of a consumer to determine their current and future demand.

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

Negative. Unless any reduction in capacity demand is immediately replaced by new consumers, charges for all remaining users will automatically increase to recover the GDN's allowed revenue.

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

Not examined

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?

Insert Text Here

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

Totally inappropriate,

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

The mechanism should be direct discussion and persuasion, between the consumer, shipper and transporter.

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.*

Insert Text Here

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

- An appeals process is mentioned in the modification, however it appears to be totally one sided as it is the body proposing the reduction in capacity that will hear and determine the outcome of the appeal.
- Reducing a site's capacity could at some stage lead to them breaching that capacity and facing ratchet charges.
- The modification does not indicate the number of potential sites that would be affected by implementation of the proposal. However, the proposer who has submitted this modification is the only GDN holding an annual interruptible auction for a segment of their network, who subsequently must issue the following statement – *"Results for the recent tender process have not been published as the UNC requirements to publish were not met. The minimum requirement for publication is the acceptance of interruption offers submitted by at least three users in an LDZ."*
- This would indicate that at the most, 2 sites have bid into the auction, which would suggest that the proposed modification is to deal with a single problem being faced by only one of the 8 GDNs in a limited sector of their network.
- I would suggest that a modification to amend the fundamental rights of a consumer to determine their own requirements, to address a limited local problem, is a misuse of the system.