



Tim Davis  
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Dear Tim

**UNC Modification Proposal 339, 339A and 340: “Clarification of the AUGE Year in respect of UNC Modification 0229”.**

Thank you for the opportunity to comment on the above proposal amending the AUGE process. For the avoidance of doubt Corona Energy (CE) does not support any of the modifications.

Retrospection

All of the proposers have confirmed that these modifications would create the possibility of retrospective charges being charged to I&C shippers and customers. CE believes that in this situation retrospective charges would create perverse incentives for domestic shippers to delay the AUGE process. Additionally CE has already explained in previous submissions that a retrospective charging structure will have a disproportionate affect on smaller suppliers and is therefore anti-competitive.

CE notes that this modification is only required because National Grid failed to draft legal text that adequately reflected the UNC Modification Proposal 229. It is concerning to CE that National Grid was able to insert text into the UNC that did not reflect the modification proposal.

CE notes that Ofgem has recently sought to address the weakness in the UNC legal drafting process by writing to the responsible Gas Transporters. Were this obligation to be taken from the Gas Transporters and given to a third party then CE would expect the saving from Gas Transporters costs to be recognised in the RIIO process.

Conclusion



These modifications are not appropriate for the GB gas market due to the retrospective nature of these proposals. Were Ofgem to seriously consider implementing of any of these proposals CE believes the impact on competition would require a full Regulatory Impact Assessment to be completed to properly assess the consequences.

I trust these comments are helpful. If you have any queries regarding this response please contact Richard Street on 0208 632 8169.

Yours,

Richard Street\*  
Regulatory Affairs Manager  
Corona Energy

\*please note as this letter has been delivered electronically a signature will not be attached