

Representation

Draft Modification Report

0340 - Clarification of the AUG Year in respect of UNC Modification 0229 (alternative)

Consultation close out date: 14 February 2011

Organisation: First Utility

Representative: Chris Hill

Date of Representation: 14 February 2011

Do you support or oppose implementation?

Not in Support

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

This Modification seeks to introduce a fixed date for the application of Unidentified Gas charges to Larger Supply Points. As there is no guarantee that the AUGGE will provide a view before the implementation date proposed in this Modification there is then a danger that a retrospective element may be created, something which UNC Modification 0229 does not make any provision for. Given the way that the non-domestic supply market functions, any retrospection could create a significant risk for purely or mainly non-domestic suppliers with an attendant impact on competition in that sector.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We believe that implementation of either of this Modification could potentially have a detrimental impact on the securing of effective competition between relevant shippers and suppliers due to the consequences that any retrospective element created by implementation might have on purely or mainly non-domestic suppliers.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

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Version 1.0

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We would likely experience a slight reduction in our costs related to RbD as we are primarily a domestic supplier. However, we believe that the retrospective risk potentially created by the implementation of this Modification in relation to our non-domestic LSP portfolio outweighs this potential benefit.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

As the Modification contains a date for the changes to become effective if implemented, we do not believe a lead time would be necessary in this case.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

NB: while formal legal text has not been provided, Suggested Text has been included in the modification and comments on this will be helpful when the text is finalised.

Yes.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

No.