

## 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:** npower ltd

**Representative:** Jonathan Wisdom

**Date of Representation:** 11 February 2011

#### Do you support or oppose implementation?

Support

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

Npower support the implementation of this Proposal as we believe it best fulfils the intention of the current legal text and therefore the expectations of parties affected by the process of allocating Unidentified Gas. The current cross-subsidy of the LSP sector to the detriment of the SSP sector is not equitable and places cost on domestic customers in particular that are not supportable.

#### 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?*

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Version 1.0

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**Standard Special Condition A11.1 (d): so far as is consistent with sub paragraphs (a) to (c) the 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.**

We believe that implementation of Modification 0340 better meets this relevant objective by providing earlier relief to the SSP sector. We recognize that the consequential debit to the LSP market may be an issue for some Shippers, however, there has been ample time since the decision by the Authority for this to be taken into account. In addition the SSP market currently manages an uncertainty of final reconciliation costs across small business and domestic customers and as such we foresee no issues in sharing this risk across both market sectors.

**Standard Special Condition A11.1 (f): So far as is consistent with sub-paragraphs (a) to (e) the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code.**

npower's view is the current UNC drafting is clear in it's interpretation of the relevant date of affect of Modification 0229. We appreciate that this modification clarifies that and the transitional period and so believe that it contributes to effective administration of the Uniform Network Code

### **Impacts and Costs:**

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

None identified

### **Implementation:**

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

N/A

### **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.*

The suggested text appears to deliver the Proposer's intent.

**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.*

It is our view that the origination of these issues is due to a lack of proper consultation mainly regarding provision and alteration of the legal text. We would urge all parties to ensure that this ambiguity is removed by allowing proper consultation on the legal text as well as the intent of the Proposal.