

Representation - Draft Modification Report UNC 0687

Creation of new charge to recover Last Resort Supply Payments

Responses invited by: **5pm on 06 September 2019**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Gareth Evans
Organisation:	ICoSS
Date of Representation:	4 September 2019
Support or oppose implementation?	Support
Relevant Objective:	a) Positive c) Positive

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

ICoSS agrees with the proposer that the lack of any explicit provision to recover SoLR costs as a distinct charge means that non-domestic SoLR costs are assigned to domestic customers and vica versa. Placing SoLR costs into transportation charges as a general cost also creates unpredictable volatility in the capacity-based charges, which undermines the investment price signals from those charges.

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

The number of suppliers that have gone into administration in the past 3 years underline the urgent need for this change to be implemented quickly while still ensuring sufficient time to develop and implement the system changes required to support the solution. As such we agree with the proposer that implementation in time to allow transportation charges to explicitly reference the new SoLR charge from 1 April 2020 is both necessary and reasonable.

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

We do not anticipate any costs to this change for our members.

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

We have not reviewed the legal text.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

We consider the modification to be complete.