

Representation - Modification UNC 0727 (Urgent)

Increasing the Storage Transmission Capacity Charge Discount to 80%

Responses invited by: 5pm on 26 June 2020

To: enquiries@gasgovernance.co.uk

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

Representative:	Henk Kreuze; European Commercial Manager
Organisation:	Vermilion Energy Ireland Limited ("Vermilion")
Date of Representation:	June 24 th , 2020
Support or oppose implementation?	Oppose
Relevant Objectives:	<p>a) None</p> <p>b) None</p> <p>d) Negative</p> <p>e) None</p>
Relevant Charging Methodology Objectives:	<p>a) None</p> <p>aa) None</p> <p>b) None</p> <p>c) None</p> <p>e) None</p>

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

In conformity with our responses to the 0678 consultation, Vermilion supports the storage discount of 50% for Transmission Services capacity at the minimum level in the EU Tariff Code as this more closely reflects the principle of "the same service for the same tariff". With the implementation of Modification UNC 0678A as per 1st October 2020, this 50% will be implemented..

We therefore oppose the increase of the storage discount to 80% as proposed in the Modification UNC 0727.

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

We would suggest a very short lead time (1-2 months) could be managed.

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

Vermilion does not foresee development nor ongoing costs associated with an increased storage discount.

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

No comments.

Respondents are requested to provide views on the following points:

Q1: Respondents are requested to provide a view as to whether the solution provided within the Modification is fully compliant with the relevant legislation (including, but not limited to, Articles 28-32 of the Tariff Network Code).

Vermilion notes that the 80% is within the range that is allowed according to the Tariff Network Code.

Q2: Respondents are requested to provide views on the proposed implementation date.

Vermilion opposes an increase of the storage discount to 80%. Vermilion supports the storage discount of 50%, as applicable from 1st October 2020 onwards, being at the minimum level in the EU Tariff Code as this more closely reflects the principle of “the same service for the same tariff”.

Nevertheless, if Ofgem approves this Modification, we would support the implementation date as proposed in the Modification.

Are there any errors or omissions in this Modification that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

No comments.

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

No further info.