

Representation - Draft Modification Report UNC 0753

Removal of Pricing Disincentives for Secondary Trading of Fixed Price NTS System Entry Capacity

Responses invited by: **5pm on 11 June 2021**

To: enquiries@gasgovernance.co.uk

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

Representative:	Ricky Hill
Organisation:	Centrica Energy Limited - CONFIDENTIAL
Date of Representation:	11 June 2021
Support or oppose implementation?	Oppose
Relevant Objective:	<p>c) None</p> <p>d) None</p> <p>g) None</p>
Relevant Charging Methodology Objective:	<p>c) None</p> <p>e) None</p>

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

Centrica typically seeks to support modifications that facilitate the proper functioning of the market and agrees that comprehensive solutions which are compliant with EU TAR NC and which facilitates the trading of secondary capacity should be explored. However, we believe that this specific proposal broadens the interpretation of 'Existing' contracts or capacity bookings beyond what should reasonably be construed under Article 35 – notably the continued exemption from the Revenue Recovery Charge (RRC) - following the transfer to a third party after 5 April 2017. A reasonable implementation of this article would be to limit the protections afforded by it solely to those shippers who entered into contracts or capacity bookings prior to 5 April 2017, which protects those shippers that have entered into long-term capacity commitments before significant changes to the charging arrangements were communicated, rather than those that purchased capacity in the full knowledge of those arrangements. Therefore, we do not believe it should be implemented.

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

N/A

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

N/A

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

We agree that the legal text implements the solution set out in the modification.

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

N/A

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

N/A