

Representation - Draft Modification Report UNC 0696

Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs

Responses invited by: **5pm on 12 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:	12 September 2019
Support or oppose implementation?	Support
Relevant Objective:	c) Positive f) Positive

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

The current arrangements with regard to the interaction of the UNC and Network Exit Agreements (NExA) are inadequate. This has been recognised by both the gas transporters and shippers, both through development of this change and through the attempted raising of alternate proposals to address the contradictions between the two documents.

The issue has been recognised as needing addressing and this modification achieves that. Creating a clear order of precedent between UNC and NExA arrangements furthers both the administrative efficiency of the code and improving competition by preventing unnecessary costs being incurred by shipper.

We believe that retrospection in this case is justified in light of the previous failures of the process and the additional costs that customers have unjustly incurred. The date of September 2018 seems appropriate to strike a balance between protecting historic arrangement and addressing known problems.

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

Though this process has a retrospective element, to provide certainty to the market during the 2019/20 winter, we would recommend that this modification is improved as soon as possible.

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

Our members will see a positive impact from this change as it will reduce the risk of capacity being booked which cannot then be utilised. It will also reduce operational costs for the need to manage both the NExA agreements and UNC capacity bookings in parallel.

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? *Include details of any impacts/costs to your organisation that are directly related to this.*

We are surprised that relevant objective (c) was not seen as being impacted by the objectives set out in the modification. This modification has a clear positive impact on competition by ensuring appropriate cost targeting.

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

None provided.