

Representation Draft Modification Report 0696V

Modification 0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs

1. **Consultation close out date:** 15th May 2020
2. **Respond to:** enquiries@gasgovernance.co.uk
3. **Organisation:** Gazprom Energy
5th Floor
8 First Street
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4. **Representative:** Steve Mulinganie
Regulation Manager
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0799 097 2568 / 0751 799 8178
5. **Date of Representation:** 15th May 2020
6. **Do you support or oppose Implementation:**
We **Support** implementation of the Modification
7. **Please summarise (in 1 paragraph) the key reason(s) for your position:**
We originally raised Modification 696(V) on the 27th June 2019 (nearly 12 months ago) with the intention of addressing undue detriment as a result of a contradiction arising in the arrangements as set out in a NEXA agreement, which is an agreement between a Consumer and a Transporter, and the arrangements under the Uniform Network Code (UNC), which is an agreement between a Shipper and a Transporter. As a result of this inherent unfairness detrimental costs have been incurred.

In raising modification 701 addressing the same issues but without retrospection we believe Transporters have acknowledged the inherent flaws within the existing process but due to the lack of retrospection are unwilling to provide the relevant parties directly impacted by the flaw fair and reasonable remediation. Accordingly we believe 696V to provide a fairer outcome for relevant parties than 701.

We would also reference our original response dated 12th September 2019 to avoid repetition

8. Are there any new or additional Issues for the Modification Report:

No

9. Self-Governance Statement Do you agree with the status?

Not Applicable

10. Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We continue to **agree** this modification is positive in respect of Relevant Objective (C) & (F) as this would introduce a process improvement to ensure that all relevant information is considered when reviewing a capacity request.

11. Impacts & Costs:

What analysis, development and on-going costs would you face if this modification was implemented?

We **have not** identified any significant costs associated with this modification

12. Implementation:

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

We would request **implementation ASAP** and would note that our original intention was that this modification would have been implemented in August 2019

13. Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

We have **no** comments on the Legal Text provided.

14. Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that you believe should be taken into account or you wish to emphasise.

In raising the modification in a timely fashion and thus seeking a short period of retrospection we believed we were striking a fair balance between minimising the period of uncertainty introduced by the retrospection, addressing the issue and also ensuring the relevant parties are fairly treated.

We believe the decision to effectively intrinsically link the process for Modification 696V and 701 has negated the decision made in August 2019 that 701 was not an alternate thus undermining the role of the Panel. This has also led to a considerable delay in determining on 696V thus impacting the scope of retrospection and increasing the period of uncertainty for all involved.

As a result of the delay imposed by intrinsically linking Modification 696V and 701 we have been able to establish that generally the teams within Transporters dealing with nomination referrals would also be familiar with the content of the relevant NEXA. As the only party directly involved in both the NEXA arrangements and the nomination process we believe the Transporter has a duty of care to ensure all relevant parties are treated fairly and should have acted accordingly to avoid undue detriment.