

Representation - Draft Modification Report UNC 0840 (Urgent) Equalisation of prepayment and non-prepayment AUG factors

Responses invited by: **5pm on 13 March 2023**

To: enquiries@gasgovernance.co.uk

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

Representative:	Paul Bedford
Organisation:	Opus Energy Limited
Date of Representation:	09/03/23
Support or oppose implementation?	Oppose
Relevant Objective:	d) Negative

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

The Allocation of Unidentified Gas (AUG) weighting factors have been independently derived by experts. No quantitative evidence has been provided by the proposer to demonstrate that these weighting factors have been calculated incorrectly.

We disagree with the proposer's view that this proposal is positive for Relevant Objective d) Securing of effective competition. We agree with the current methodology used to calculate the weighting factors, under which experts independently apportion UIG based upon how much the banding contributes to UIG, and moving away from that would make market signals less clear.

We also believe that to move away from the current independent expert determination of weighting factors would be negative for:

Relevant Objectives:

- c) Efficient discharge of the licensee's obligations; and
- f) Promotion of efficiency in the implementation and administration of the Code.

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

Although we do not support the proposal a lead time of 6 months would be preferred in order to fully analyse any potential impacts.

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

Given the urgent status of this change this has not yet been fully determined.

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

No comments at this time.

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.*

If this modification is to be considered, we would wish to see quantitative analysis and feedback from the independent experts that derive the AUG weighting factors in order to determine if they believe the current weighting factors/methodology to not be appropriate.

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

None at this time.