

Representation – Modification UNC 0658 (Urgent)

CDSP to identify and develop improvements to LDZ settlement processes

Responses invited by: 5pm on 18 June 2018

To: enquiries@gasgovernance.co.uk

Representative:	Nicky Rozier
Organisation:	BU-UK
Date of Representation:	18/06/2018
Support or oppose implementation?	Qualified Support
Relevant Objective:	d) Positive

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

BU-UK supports the need to appropriately address the increasing UIG issues, and acknowledge the ongoing level, volatility and unpredictability of UIG is causing considerable commercial impact on the industry.

Given the materiality of the issue, we agree that an alternative approach to the one currently adopted is required to appropriately address UIG and therefore protect the end consumer.

Under the DSC charging arrangements Shippers are currently picking up 100% funding of the change, what is not clear is whether this constituent will also fund the creation of the taskforce and any enduring costs? Further to this, as a change is currently progressing under the DSC we question whether a modification is wholly required. Our concern is, as an Independent Gas Transporter we are not directly impacted by UIG and therefore at this time cannot see any value in our participation in the taskforce. On this basis it would seem unreasonable to incur any costs where we cannot influence the solution. However, if justifications are made for the inclusion of Independent Gas Transporters in the taskforce, we would need to consider whether there are indeed any benefits for us.

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

Given the current levels of UIG, we believe a prompt resolution is required.

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

BUUK would be keen to understand the funding mechanisms of this taskforce. We would request the Authority consider whether the current funding arrangements under the DSC for addressing UIG are still appropriate. As mentioned, due to our limited scope and ability to influence the solution we would be concerned if expected to contribute to the costs.

As mentioned above, BUUK would have concerns should we be expected to contribute to the cost of resolving an issue where we have no ability to influence the solution.

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

BUUK are satisfied the current legal text meets the requirement of 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.*

None identified.

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

No further analysis.