

Representation - Draft Modification Report UNC 0665

Changes to Ratchet Regime

Responses invited by: **5pm on 14 March 2019**

To: enquiries@gasgovernance.co.uk

Representative:	David Mitchell
Organisation:	Scotland Gas Networks and Southern Gas Networks
Date of Representation:	14 th March 2018
Support or oppose implementation?	Support
Relevant Objective:	a) Positive d) Positive

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

SGN is supportive of this modification as we believe it delivers the recommendations set out in Ofgem's decision letter when they rejected Modification 0571. In this decision letter Ofgem's specifically encouraged the industry to identify suitable classifications for supply points whilst maintaining accurate capacity declarations.

This modification should encourage the uptake of the Class 2 product whilst giving the Gas Distribution Networks the ability to manage constrained parts of our networks in line with the Class 1 Ratchet Guidelines Document by being able to designate a site into the Class 1 regime which encourages users not to breach their capacity bookings.

Whilst we support this modification we would stress that Shippers must submit accurate demand data to the CDSP and support Gas Distribution Network capacity management processes in accordance with their current UNC obligations.

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

We support the proposer's intention to implement this modification by commencement of winter 2019/20, however we would caveat this with the need to ensure the solution is robust and fit for purpose. If a systematised solution is not possible by the start of winter 2019/20 then we would welcome further engagement to decide how best this is managed in the most efficient way.

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

SGN will have a share of the modification implementation costs, in addition to these there will be ongoing costs from the increased analysis needed to manage sites that may either be in Class 1 regime or those that may need designating into the Class 1 regime.

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

We believe that the legal text delivers the intent of the solution.

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.*

None identified

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

None