

## Representation - Draft Modification Report UNC 0847

### Introduction of a Minimum General Non-Transmission Services Charge

**Responses invited by: 5pm on 11 September 2023**

**To:** [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)

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

<b>Representative:</b>	Colin Williams
<b>Organisation:</b>	National Gas Transmission
<b>Date of Representation:</b>	15/09/2023
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	Not Applicable
<b>Relevant Charging Methodology Objective:</b>	b) Positive

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

National Gas Transmission supports implementation of this proposal. Due to the way in which General Non-Transmission Services Charges are calculated there exists, under certain circumstances, a possibility that the methodology could produce a negative General Non-Transmission Services charge. National Gas Transmission believes that this situation should not be able to materialise. If negative charges were allowed to materialise, they would result in National Gas Transmission paying its customers to flow gas on the NTS. This would create a perverse incentive for users to flow gas which would in turn likely drive unpredictable behavioural changes, which could have serious and far-reaching impacts for all Stakeholders.

This Proposal will introduce a minimum General Non-Transmission Service Charge of 0.0001p/kWh, providing consistency with Transmission Services Entry and Exit Reserve prices, where there already exists a minimum price. This will provide certainty to Stakeholders that negative charges are not able to materialise under any circumstances via an explicit prohibition in UNC.

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

In order to maximise the potential of this proposal, implementation is required in advance of setting the General Non-Transmission Services charges applicable from the 1<sup>st</sup>

October 2024. As these charges are set in the preceding July, a decision would be required before the end of May 2024 to facilitate implementation ahead of the July deadline, ensuring the methodology was known before setting all Transportation Charges for October 2024 (Transmission Services are set by end of May).

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

We do not expect there to be an ongoing cost associated with this proposal.

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

Yes, the legal text delivers the intent of the Modification.

**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.*

National Gas Transmission have not identified any such errors or omissions.

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

National Gas Transmission believes that all the analysis required has been provided in the workgroup material.