

Representation - Draft Modification Report UNC 0831 0831A

0831 – Allocation of LDZ UIG to Shippers Based on a Straight Throughput Method

0831A - Allocation of LDZ UIG to Shippers (Class 2, 3 and 4) Based on a Straight Throughput Method

Responses invited by: 5pm on 19 October 2023

To: enquiries@gasgovernance.co.uk

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

Representative:	Tom Stuart
Organisation:	Wales & West Utilities
Date of Representation:	18.10.23
Support or oppose implementation?	0831 – Support 0831A - Oppose
Alternate preference:	<i>If either 0831 or 0831A were to be implemented, which would be your preference?</i> 0831
Relevant Objective:	0831 d) Positive f) Positive 0831A d) Negative f) Positive
Relevant Charging Methodology Objective:	Not Applicable

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

In general, both solutions provide more certainty for customers by reducing UIG allocation volatility and the removal of the AUGE role will deliver a direct cost saving to the industry by removing the industry process and associated meetings and hence both are positive for furthering relevant objective (f) Promotion of efficiency in the implementation and administration of the Code.

Though Class 1 & 2 are daily metered and therefore settled more accurately they can contribute to UIG, for example should a meter be on bypass, and this should be reflected in the UIG weighting. We appreciate that giving daily metered sites zero weighting may encourage more sites to become daily metered, however, we think if that is the aim then it should be addressed directly and not through UIG allocation which should be as accurate as possible. For this reason, we cannot support 0831A and believe that it is negative for furthering relevant objective (d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

If the desire is to encourage more sites to become daily metered, then this should be addressed as a separate matter through its own modification.

We believe modification 0831 is the most equitable solution as it does not discriminate against a particular class of supply point and assumes all classes contribute to UIG. Although low, there are occasions where Class 1 sites contribute towards UIG. WWU therefore supports modification 0831 and we think that 0831 is positive for furthering relevant objective d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

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

If approved by the authority, we think the implementation should be placed on hold until the end of the current AUGE contract to reduce regret spend.

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

None

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

Yes

Modification Panel Members have requested that the following questions are addressed:

Q1: Do you have views on the effect of these two alternatives on end consumers?

Both modifications would provide more certainty for customers by reducing UIG allocation volatility and provide better value for money by removing the cost of the AUGE and associated processes. As all sites contribute to UIG we believe Modification 0831 is the most equitable solution for end consumers.

Q2: Is the process in electricity comparable? (please explain)

No response.

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

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

None