

Representation - Modification UNC 0726 (Urgent)

COVID-19 Liquidity Relief Scheme for Shipper

Responses invited by: 5pm on 12 June 2020

To: enquiries@gasgovernance.co.uk

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

Representative:	Dan Alchin
Organisation:	Energy UK
Date of Representation:	12 June 2020
Support or oppose implementation?	N/A
Relevant Objective:	N/A

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

We understand that we are currently operating in extraordinary circumstances and with this mind we welcome transporters' efforts to explore with Ofgem how they can provide suppliers with additional financial support during these unforeseeable times, noting the concerns previously raised by industry, and being creative in how to do this. However, we note that a number of Energy UK members continue to have significant reservations about the proposed modification, including around the lack of open and transparent consultation during its development. With this in mind, if implemented, it is vital that the Joint Office ensure the scheme is operated by transporters in a transparent manner and that sufficient information is published with regards to the schemes operation, as a minimum the amount of any approved deferrals, so as to allow other shippers (and their supplier customers) to manage the financial risk of any default.

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

N/A – Individual Energy UK members are better paced to respond.

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

N/A – Individual Energy UK members are better paced to respond.

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

N/A – Individual Energy UK members are better paced to respond.

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.*

It is vital that the Joint Office ensure the scheme is operated by transporters in a transparent manner and that sufficient information is published with regards to the schemes operation, as a minimum the amount of any approved deferrals, so as to allow other shippers (and their supplier customers) to manage the financial risk of any default. Currently shippers have no other means of mitigating the risk that the approved shippers will default, leaving the bad debt to be smoothed across all other shippers.

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

N/A