

Representation - Draft Modification Report UNC 0795S

Arrangements for charging for revenue to pay valid Last Resort Supplier Payment claims

Responses invited by: **5pm on 11 January 2022**

To: enquiries@gasgovernance.co.uk

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

Representative:	Smitha Coughlan
Organisation:	WWU
Date of Representation:	11/01/2022
Support or oppose implementation?	Support
Relevant Objective:	c) Positive f) Positive
Relevant Charging Methodology Objective:	Not Applicable

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

WWU supports this Modification as it puts the current arrangement for Last Resort Supplier Payments into the UNC and creates a right to charge for valid Last Resort Supplier Payment claims. The Modification also clarifies the process around SOLR claims and enables users to apply the methodology in the UNC applicable on the date charges are set, regardless of whether the costs were incurred before or after a change was implemented.

Self-Governance Statement: Please provide your views on the self-governance statement.

WWU agrees that this Modification should be considered a non-material change and therefore it is appropriate that it is subject to Self-Governance.

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

Should a decision on other modifications (0687V or 07697) not be made by the 20th January 2022 or a date that allows GDNs to reflect the changes within their final price notice for 2022/23 prices, then the approval of Modification 0795 would put into UNC the current arrangements for charging for SOLR claims and in that case this modification should be implemented as soon as possible.

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

None identified. No system change required. Charging methodology will reflect what has been done in prior years.

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

We have not identified anything to indicate that the legal text will not deliver the intent of the Solution

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

Q1: The proposer's view is that if 0687V is directed for implementation that this modification should not be implemented. Do you agree with this view?

Should there be no direction from Ofgem to implement one of 0687V or 0797 by the time panel considers implementing 0795 then we agree that panel should vote on whether to implement 0795 as the industry requires clarity regarding the basis on how charges to recover revenue to pay valid Last Resort Supplier Payment claims will be set.

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.*

No

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

Although implementation of this modification would not amend the current pricing process, we draw attention to the restricted timescales that arise from a 20th January 2022 decision by Ofgem on a number of SOLR modifications. Model calculation, data assurance and board sign off usually take a minimum of 10 workings days to achieve. Reducing this timeline increases the risk of material error in our pricing calculations.