

Representation - Modification UNC 0727 (Urgent)

Increasing the Storage Transmission Capacity Charge Discount to 80%

Responses invited by: **5pm on 26 June 2020**

To: enquiries@gasgovernance.co.uk

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

Representative:	Richard Fairholme
Organisation:	Uniper
Date of Representation:	19/06/2020
Support or oppose implementation?	Support
Relevant Objectives:	<ul style="list-style-type: none"> a) Positive b) Positive d) Positive e) Positive

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

We agree with the Proposer that a capacity discount greater than the minimum permitted of 50% is required to properly reflect the benefits that gas storage brings to the transmission system. The benefits include helping to balance the system and smoothing peaks in demand and supply, thereby avoiding investment in the NTS. Importantly, it would also help minimise the “significant detrimental effect” that implementation of UNC 0678A will have on the revenues of gas storage facilities, as identified by CEPA in their report supporting Ofgem’s recent NC TAR decision.

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

1 October 2020

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

Respondents are requested to provide views on the following points:

Q1: Respondents are requested to provide a view as to whether the solution provided within the Modification is fully compliant with the relevant legislation (including, but not limited to, Articles 28-32 of the Tariff Network Code).

We have no reason to believe that they are not compliant, however generally Shippers do not have the resources to seek legal opinions on every new UNC Modification Proposal and in particular those raised on urgent timescales. Expecting Shippers to undertake such detailed analysis also risks distorting the governance process if those Shippers with legal resources are able to influence the outcome, potentially to the detriment of Shippers that do not have access to such resources. Assessing compliance is ultimately the role of the Regulator and we note that the proposer has provided commentary and analysis to assist in this process.

Q2: Respondents are requested to provide views on the proposed implementation date.

1 October 2020 – or as soon as possible thereafter

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.*

No

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

We have nothing further to add