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15th May 2020
Your Reference: UNC Modification Proposal 0696V

UNC Modification Proposal 0696V - Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposal which Cadent does not support.

Do you support or oppose implementation?

Oppose

Relevant Objective:

- d) Negative
- f) Positive

Reason for support/opposition:

The modification, if implemented, would ensure that the Supply Point Capacity (SOQ) held on central systems would never exceed the SOQ detailed in the relevant NExA. It will also ensure that any requests for additional capacity will only take effect from the specified dates within the NExA. We therefore agree that this would further Relevant Objective f).

We do though have concerns around the retrospective element of the modification and whether it fully meets the Ofgem tests. Whilst we agree that this modification will improve the process going forward and should eliminate the situation (which directly led to the drafting of the modification) reoccurring, we are not fully convinced this was wholly down to central arrangements or could not have been reasonably foreseen. The situation which occurred was due to a combination of factors including the Shipper not carrying out adequate checks. Therefore we believe the retrospective element of the modification would negatively impact Relevant Objective d)

Implementation

Implementation would need to be agreed between DSC parties given the system changes necessary but we would expect a minimum of 6 months would be required.

Impacts and Costs

Given the retrospective element of the modification (which would be in effect for circa 2 years from Sep 2018) we may be subject to as yet unknown impacts and costs of reconciling any payments.

Legal Text

We are satisfied that the Legal Text meets the intent of the modification.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

We have not identified any errors or omissions.

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

Nothing further to add.

We trust that this information will assist in the compilation of the Final Modification Report. Please contact me on 07884 113385 (andy.clasper@cadentgas.com) should you require any further information.

Yours sincerely,

Andy Clasper