

Representation - Modification UNC 0797 (Urgent)

Last Resort Supply Payments Volumetric Charges

Responses invited by: 5pm on 04 January 2022

To: enquiries@gasgovernance.co.uk

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

Representative:	Paul Bedford
Organisation:	Opus Energy Limited
Date of Representation:	04 January 2022
Support or oppose implementation?	Support
Relevant Charging Methodology Objective:	<p>a) Positive</p> <p>c) Positive</p>

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

We support the intent of this proposal and believe it will lead to a fairer allocation of charges between non-domestic consumers than modification UNC0687. We agree that basing the new charge type on a volumetric basis will lead to smaller gas consumers paying a more proportionate amount of charges compared with larger consumers.

We believe the modification supports Relevant Charging Methodology (a) as it is likely to result in charges that are more appropriately targeted, and which better reflect the costs from a SOLR that should be attributed to customers. We also believe that the proposal supports Relevant Charging Methodology (c), in that by allocating costs to the appropriate category of supply points, there should be less cross-subsidisation between domestic and non-domestic consumers. Additionally, a volumetric rate will more appropriately apportion costs based on consumption.

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

We believe the methodology should be implemented as soon as reasonably practicable and, in line with Ofgem's 'send back' letter, for charges to be effective from 1 April 2022.

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

No comment.

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

On reviewing the legal text provided, we note that it may not fully align with the business rules described in points 4-6 and the intent of the modification. Specifically, for 11.4 the calculation of shipper charges is not expressed as a formula.

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 comment.

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

No comment.