

Representation - Draft Modification Report UNC 0806

Change to Curtailment Trade Price Compensation in Section Q

Responses invited by: 5pm on 19 August 2022

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:	19/08/2022
Support or oppose implementation?	Support
Relevant Objective:	a) Positive f) Positive
Relevant Charging Methodology Objective:	Not Applicable

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

We support this proposal. This is because, if implemented, it would ensure NTS Users that are subject to involuntary interruption of gas supplies, would receive a price for their gas that is more closely aligned with the prevailing market price at the time of the interruption.

Contrary to NGG's view, we do not believe that this would reduce any incentives for voluntary interruption, pre-emergency, as such actions would also be linked to the prevailing market prices. This proposal is not seeking to pay any sort of "premium" above the market price, in the event of involuntary interruption, so we see no reason why NTS end consumers would deliberately wait for (unpredictable, highly risky) involuntary interruption in the hope of securing a 'better price' for their gas.

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

As soon as practicable and ideally before Oct 1, 2022

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

None expected.

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

Yes.

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

Q1: Do industry parties have any additional comments relating to impacts on CCGT and/or other I&C customers in respect of this Modification Proposal?

We do not believe this proposal should be held back whilst NGG considers changes to the existing DSR product for this Winter. Industry discussions to date have indicated that the only change NGG plans to make is the addition of an option payment. In our view, this will be insufficient to stimulate any *significant* DSR this coming Winter. Therefore, the prospect of firm load shedding of NTS connections only appears marginally less likely, in the event of a difficult Winter. Ensuring affected parties are paid a more fair, market reflective price, therefore, seems a reasonable adjustment to make ahead of this Winter.

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

Nothing to add.