

Representation

Draft Modification Report

0312 - Introduction of Two-Thirds Majority Voting to the UNC Modification Panel

Consultation close out date: 19 May 2011
Respond to: enquiries@gasgovernance.co.uk
Organisation: Scottish Power
Representative: Gerry Hoggan
Date of Representation: 19 May 2011

Do you support or oppose implementation?

We support implementation.

Please summarise (in one paragraph) the key reason(s) for your support.

Allowing for the Authority having the capacity effectively to propose and then implement Modification Proposals as a result of the powers afforded by the SCR process, we believe that it is essential that additional checks and balances are introduced to counteract that lack of separation of powers. We believe that this Proposal addresses such concerns by reinforcing and entrenching the rights of appeal to the Competition Commission. This would ensure that an effective legal recourse would be available to parties, although remaining mindful that the exercise of such appellate rights would not be undertaken lightly allowing for the costs involved. The higher voting threshold should also go some way to promote the need for consensus as far as possible when developing Modification Proposals in areas that are most likely to be contentious.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Standard Special Condition A11.1 (a): the coordinated, efficient and economic operation of the pipe-line system to which this licence relates;

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (b): so far as is consistent with subparagraph (a), the (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters;

Implementation would not be expected to better facilitate this relevant objective.

0312
Representation

19 May 2011

Version 1.0

Page 1 of 3

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Standard Special Condition A11.1 (c): so far as is consistent with subparagraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (d): so far as is consistent with subparagraphs (a) to (c) the securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers;

Implementation would be expected to better achieve this relevant objective. We believe that the introduction of additional accountability and checks and balances into modification processes related to SCR Modifications would increase confidence in the objectivity of the Modification Processes, thereby attracting new market entrants and securing effective competition.

Standard Special Condition A11.1 (e): so far as is consistent with subparagraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards (within the meaning of paragraph 4 of standard condition 32A (Security of Supply – Domestic Customers) of the standard conditions of Gas Suppliers' licences) are satisfied as respects the availability of gas to their domestic customers;

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (f): so far as is consistent with subparagraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code.

Implementation would be expected to better achieve this relevant objective. We believe that this Proposal would encourage and incentivise parties to seek broad industry support and consensus wherever this was achievable, thus leading to greater efficiency in the administration of the UNC.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

We would face no impacts or costs in the event of this modification being implemented.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

We agree with the proposed implementation timetable as detailed in the Modification Proposal.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

We are comfortable that the legal text will deliver the intent of the modification.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

No.