

Representation

Draft Modification Report

0330 - Delivery of additional analysis and derivation of Seasonal normal weather

Consultation close out date: 08 July 2011
Respond to: enquiries@gasgovernance.co.uk
Organisation: SSE
Representative: Mo Rezvani
Date of Representation: 08 July 2011

Do you support or oppose implementation?

Support *delete as appropriate*

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

This MOD allows for an agreed and transparent methodology for calculating seasonal normal weather with minimal additional cost to the industry. Stage 1 clarifies how historical weather data have been derived, specially in the case of weather station closures and changes. Stage 2 provides a basis for how EP2 analysis are extended.

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

None.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

As it has already been indicated within this MOD, the implementation of this proposal would allow the development of alternative methodologies that could be used to improve the accuracy of the energy allocation between NDM shippers in the SSP and LSP markets. The availability of alternative methodologies will ensure that most accurate energy allocation possible occurs to Shippers in the SSP and LSP markets by D+5 which in turn benefit competition by ensuring that shippers are exposed to the costs that they have incurred and so ensure that there is a limited cross subsidy between Shippers, even if this were to occur on a cash flow basis. Ensuring cost are accurately targeted is a fundamental requisite of competitive market and so facilitate relevant objective A11.1 (d).

Further implementation of this proposal would also reduce SSP Shippers' exposure to RbD and LSP Shippers exposure to reconciliation. There are both viewed as a risk to shippers as they occur at SAP and shippers are unable to manage or hedge this exposure. Removing a risk would also represent removing a barrier to entry and so also benefit competition.

It also facilitates relevant objective A11.1(f)-the efficient administration of the UNC. This is against the background of problems of agreeing the implementation of previous MODs for the calculation of CWV which has created significant inefficiency in the administration of UNC.

Impacts and Costs:

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

It is unlikely that this MOD will impose additional cost for internal implementation of this process.

Implementation:

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

We believe this MOD should be implemented as soon as possible as it has already been delayed considerably.

Legal Text:

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

Yes.

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.

We have no further comments to add.