

Representation

Draft Modification Report

0338V: Remove the UNC requirement for a 'gas trader' User to hold a Gas Shipper Licence

Consultation close out date: 30 March 2012
Respond to: enquiries@gasgovernance.co.uk
Organisation: National Grid Transmission
Representative: Dave Corby
Date of Representation: 30 March 2012

Do you support or oppose implementation?

Support

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

This modification has been raised by National Grid Transmission (NGT) to create a new Trader User role within the UNC that allows access to the UNC for the purpose of trading activities and not those involving the conveyance of gas.

This supports Ofgem's proposals on licensing for gas traders contained in their recent open letter consultation¹ by enabling a party with no Shipper licence to accede to the UNC.

NGT responded positively to Ofgem's open letter as follows: "Ofgem's views on the related matters as described in the open letter appear to address the industry's concerns relating to the change in licensing policy. NGT agrees with the views expressed in the consultation. Therefore NGT agrees that traders who are not involved in the activities prescribed by the Gas Act should not be required to have a gas shipper licence."

NGT believes that this modification represents the most robust method for adopting Ofgem's proposals within the UNC.

¹ Ofgem's open letter consultation on changes to Ofgem licensing policy for gas traders reference 06/12.

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?

By allowing Trader Users that do not hold a Shipper Licence to accede to the UNC, a potential barrier to entry to the gas market is removed and hence additional parties may be encouraged to participate in the gas market. This would be consistent with Relevant Objective (D) "Securing of Effective Competition".

Impacts and Costs:

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

None

Implementation:

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

No lead time is necessary as no systems implementation is associated to this Modification.

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.

No.