

Representation

Draft Modification Report

0381 – Removal of the NTS Exit (Flat) Capacity “deemed application” process

Consultation close out date: 12 September 2011

Respond to: enquiries@gasgovernance.co.uk

Organisation: Wales & West Utilities Ltd

Representative: Robert Cameron-Higgs

Date of Representation: 12 September 2011

Do you support or oppose implementation?

Support

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

The existing deemed application process provides an unnecessary addition to the overrun regime.

The current rules create a default application for Enduring NTS Exit (Flat) Capacity leading to this capacity being allocated to a User at an NTS Exit Point where it may not be required.

As a consequence, this can lead to the sterilisation of capacity, as it is not required by that User, but equally, it is unavailable to other Users who may require it. A further inappropriate consequence is that the User will incur up to 4 years capacity charges (through a User Commitment) for the unwanted capacity.

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

Through discussions on the withdrawn modification proposal 0365 (“*National Grid NTS Initiated Flow Swaps*”) it is clear that a GDN can incur an overrun at an NTS/LDZ Offtake following a flow swap when the aggregate amount offtaken is less than the aggregate Exit Capacity booking. This may lead to GDNs booking additional capacity at certain NTS/LDZ Offtakes, despite it not being required, to ensure that it does not incur such penalties. This may avoid any potential overrun charges and deemed applications but would lead to additional costs being passed on to Shippers as well as double booking Capacity on the Total System.

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Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

WWU believe the relevant objectives outlined in the workgroup report would be satisfied

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?

Implementation could take place shortly following a decision to implement by the Modification Panel (subject to the necessary appeals window).

Legal Text:

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

We are satisfied with the legal text provided within the modification report.

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

Hopefully these comments are helpful to the Modification Panel and to the Authority; please do not hesitate to contact me should you have any questions relating to this matter.

Yours sincerely

{By email}

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