

## Representation

### Draft Modification Report

#### 0382 - Reducing the capacity element of LDZ system charges for SSPs

**Consultation close out date:** 12 September 2011

**Respond to:** enquiries@gasgovernance.co.uk

**Organisation:** First Utility

**Representative:** Chris Hill

**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.

Implementation of the Proposed UNC Modification will facilitate effective competition between suppliers by enabling the alignment of costs and revenue. It will also ensure that larger players do not gain an unfair advantage in this respect due to their greater size and ability to subsidise this mismatch between costs and revenues over the summer months when gas usage is lower.

#### 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?*

Implementation of the Proposed UNC Modification would better facilitate the relevant objective of furthering competition between gas suppliers.

#### Impacts and Costs:

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

Implementation would not cause any cost impact to First Utility and would provide considerable cash flow benefit to all SSP suppliers in terms of more cost reflective commodity payments during the summer months.

**Implementation:**

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

We would like to see implementation as soon as possible so that the associated competitive benefits can be also be delivered as quickly as possible. Therefore an implementation date of April 1 2013 would seem appropriate.

**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.