

Representation

Draft Modification Report

0404 - Profiling payment of LDZ capacity transportation charges for Small Shipper Organisations

Consultation close out date: 05 April 2012
Respond to: enquiries@gasgovernance.co.uk
Organisation: **RWEnpower**
Representative: Edward Hunter
Date of Representation: 05 April 2012

Do you support or oppose implementation?

Not in Support

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

RWEnpower does not believe that the Transporter/Shipper community is best placed to bear any financial risk that maybe associated with specific Shippers. The credit market is the appropriate place to secure this to afford protection to all parties and consumers.

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

There appears to have been a lack of engagement or appetite from smaller Shippers resulting in the benefits case being unclear.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Relevant objective d (i) and (ii) (Securing of effective competition between relevant Shippers and relevant Suppliers) may be better facilitated by the implementation of this modification by improving the cash-flow position of smaller shippers, as it aligns their transportation costs with their customer revenues. However, this may provide an incentive to remain within the criteria of this modification proposal, therefore presenting an additional obstacle to growth.

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?

N/A

Legal Text:

Are you satisfied that the draft legal text (to be provided by Scotia Gas Networks alongside the Draft Modification Report) 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