Representation

Urgent Modification Proposal

0405: Bottom Stop SOQ Appeal Mechanism for 2011/12

Consultation close out date: 01 December 2011

Respond to: enquiries@gasgovernance.co.uk

Organisation: Derwent Cogeneration Ltd

Representative: Paul Bown

Date of Representation: 01 December 2011

Do you support or oppose implementation?

Support

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

As a combined heat and power station, our gas usage is dictated by market conditions. These changed market conditions have had the effect of reducing our gas requirement this year, and peak value is anticipated to remain below the level of last year; the use of the BSSOQ in our case has the effect of forcing us to book an overcapacity with attendant transportation costs which need to be absorbed or passed on. If the BSSOQ could be challenged, a more accurate gas requirement would be made, with the transportation charge levied against that volume.

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?

The capacity booked would reflect the actual needs of the customer and transportation costs would be properly charged out.

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?

Within the timescales stated in the proposal

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