

Representation

Draft Modification Report

0417S: Notice for Enduring Exit Capacity Reduction Applications

Consultation close out date: 11 June 2012

Respond to: enquiries@gasgovernance.co.uk

Organisation: RWE Npower plc / RWE Supply & Trading GmbH

Representative: Charles Ruffell

Date of Representation: 11 June 2012

Do you support or oppose implementation?

Comments

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

Although we recognise the proposer's concern, we believe that changing the current 14 months notice for capacity reductions may undermine the intent of the user commitment principles embodied in 0195AV. In particular, this will be the case where an existing connectee is reducing or relinquishing its capacity holdings and the TO does not get sufficient notice such that it could reallocate the capacity. In this case, it may incur costs that could otherwise have been avoided. The User Commitment test has two elements – a financial commitment (based upon four years of indicative exit capacity charges) and a notice period (14 months) that may allow the TO change investment plans. We do not believe the proposal properly considers these two elements and this makes it difficult to assess fully its impact on the enduring exit arrangements.

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

There are wider industry concerns about the future volatility of network charges and potential measures to mitigate the volatility are being considered. This proposal could be considered in the context of the outcome of this wider review.

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Version 1.0

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Self Governance Statement:

Do you agree with the Modification Panel's decision that this should be a self-governance modification?

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Impacts and Costs:

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

Implementation:

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

Legal Text:

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

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.