

Representation

Draft Modification Report

0442 and 0442A:

Amendment to the implementation date of the Allocation of Unidentified Gas Statement (AUGS) for the 2013/14 AUG year

Consultation close out date: 22 February 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: WINGAS UK Ltd
Representative: Rob Johnson
Date of Representation: 25 February 2013

Do you support or oppose implementation?

0442 - Not in Support

0442A - Not in Support

If either 0442 or 0442A were to be implemented, which would be your preference?

WINGAS UK does not support either modification and therefore does not have a preference to submit.

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

0442 / 0442A

WINGAS UK Ltd is grateful for the opportunity to offer a consultation response on UNC modifications 0442 and 0442A. These impact of either of these modifications should they be implemented are of critical importance to our business. As a small supplier, WINGAS is much more exposed to the risks of the additional uncertainty that would be introduced by these modifications or to adjust to the mid-year changes proposed by them.

During the creation of the AUGS process, all guidelines and timescales were agreed by all parties including the parties that have raised these two modifications, it is not therefore appropriate for these to be challenged through the modification process as in

WINGAS UK's opinion it severely undermines the integrity and independence of the AUG process. Should either of these modifications proceed and be implemented it would create a precedent for further unwarranted and unnecessary modifications.

The rollover contingency has been formally initiated, this is an agreed upon industry process which now must be adhered to by all parties that agreed to be bound by the AUG guidelines.

WINGAS UK Ltd feels that sufficient lead time is required for accurate pricing for our customers in the I&C sector, this is so that costs can be correctly and appropriately factored into customer contracts. WINGAS UK Ltd feels that that these modifications have not progressed at an appropriate pace, we have concerns that there are undue pressures on the modifications to have them rushed through the modification process, we feel that following rejection of the request for urgency by Ofgem that this is especially unsuitable.

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

No

Relevant Objectives:

How would implementation of either of these modifications impact the relevant objectives?

0442/0442A would negatively impact relevant objectives:

(d) Securing of effective competition; by undermining the independence and integrity of the AUG, it's decisions made through the established and agreed AUG process would be detrimented through the modification process. In turn this would generate risk & uncertainty in the market and impede competition.

(f)Promotion of efficiency in the implementation and administration of the UNC; changing the established AUG processes and timelines does not give sufficient notice periods to implement these changes, which WINGAS UK feels is contrary to this objective.

Impacts and Costs:

What analysis, development and ongoing costs would you face if either of these modifications were implemented?

No comment

Implementation:

What lead-time would you wish to see prior to either of these modifications being implemented, and why?

WINGAS UK does not support implementation of either proposal.

Legal Text:

Are you satisfied that the legal text will deliver the intent of each of these modifications?

0442 and 0442A

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25 February 2013

Version 1.0

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No comment

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.