

Representation - Draft Modification Report 0534S

Maintaining the efficacy of the NTS Optional Commodity ('shorthaul') tariff at Bacton entry points

Responses invited by: **10 September 2015**

To: enquiries@gasgovernance.co.uk

Representative:	Graham Jack
Organisation:	British Gas Trading Limited
Date of Representation:	9 September 2015
Support or oppose implementation?	Support
Relevant Objective:	a) Positive d) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

The proposal seeks to maintain, in effect, the current Optional Commodity Charge (OCC) arrangements in respect of the Bacton ASEP after it has been split into the two new UKCS and IP ASEPs in order to facilitate the implementation of European gas network codes. This will be conducive to ensuring the efficient flows of gas into the NTS from the Bacton ASEPs and consequently will provide benefits as regards the efficient use of the NTS and encouragement of competition between shippers. The furthering of relevant objectives a) and d) is therefore highly likely.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

Self-Governance is justifiable but only because the proposal is seeking to maintain the status quo for short-haul/ OCC arrangements with respect to the Bacton ASEP, recognising that the Bacton ASEP split is required because of European gas network code requirements.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

As soon as reasonably practicable.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

Some low administrative costs are anticipated.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Yes.

Modification Panel Members have requested that the following questions are addressed

Q1: Views are sought on the allocation of User Pays costs and whether Transporters or Shipper Users should fund these?

The costs should not be borne by shippers.

Shippers will not be provided with any additional or new services as a result of this proposal being implemented as it seeks to retain the status quo. We recognise that systems changes will be required and costs incurred. These changes and costs are not being driven by shippers seeking additional services but because the implementation of European network codes is resulting in certain inefficiencies for the NTS at the Bacton ASEP. It is a reasonable expectation that the funds set aside by transporters for the implementation of the European network codes should cater for the needs of shippers as well as transporters and that holds true in this case.

Shippers should therefore not be saddled with additional costs for retaining a service that is currently available to them.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

None identified.

Please provide below any additional analysis or information to support your representation