

Representation – Urgent Workgroup Report 0560

Addressing under-allocation of flows from BBL arising from misalignment of reference conditions

Responses invited by: **17 November 2015**

To: enquiries@gasgovernance.co.uk

Representative:	Graham Jack
Organisation:	British Gas Trading Limited
Date of Representation:	16 November 2015
Support or oppose implementation?	Support
Relevant Objective:	d) Positive g) Positive

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

The accurate allocation of gas entry quantities is essential for supporting the efficient functioning of the UK wholesale gas market . This modification proposal seeks to correct a temporary, but material, problem identified for the delivery of gas to the UK from the BBL interconnector. If not addressed, the loss of gas to BBL shippers would place them at an unfair disadvantage and through no fault of their own. Remedying the problem through the implementation of this modification proposal would therefore be consistent with securing effective competition between relevant Users (relevant objective g)). Without the proposed change taking place it appears that the only option for BBL shippers to avoid the loss of gas delivered to the UK would be to avoid flowing gas via BBL. This would not be conducive to facilitating effective trade across borders and interconnection points. Implementation of the modification proposal would therefore be consistent with promoting compliance with the Regulation (relevant objective g)). The solution to the problem is based on the provisions already approved under UNC Modification 0519 so that it provides a consistent and acceptable approach to managing energy measurement issues arising from differing temperature reference conditions.

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

We agree that the proposal should not be granted self-governance status given the expected materiality of the issue being addressed.

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

We would want to see the proposal implemented as soon as reasonably practicable to provide BBL shippers with confidence that they can flow gas to the UK without incurring energy losses.

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

None identified.

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

Yes.

Additional Workgroup Question for this Consultation:

Are any of the Ofgem conditions for retrospectivity satisfied? (see the Appendix in the Workgroup Report for details)

We agree that retrospective application of the proposal, to 1 October 2015, be made. The problem being remedied by the modification proposal came to light at a relatively late stage of EU network code implementation and has primarily been imposed by the commencement of new nomination and allocate-as-nominate rules at Interconnection Points from 1 October 2015. In our view there would have been insufficient time for a properly developed modification to have been raised and promoted under Urgent status prior to 1 October 2015 – although the current proposal is based on the UNC modification 0519 solution this was not the initial solution considered by the Proposer. Therefore, retrospective application of the proposal to 1 October 2015 would be a reasonable outcome.

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