

# UNC 0706R:

Instances where Shippers can exit commercial agreements with an independent supplier



Proposer: Contract Natural Gas Limited

Panel Date: 21<sup>st</sup> November 2019

# Why change?



- At present there may be instances where a Shipper provides wholesale gas shipping services on behalf of an independent supplier via a contractual and commercial agreement.
- This places the obligations within the UNC solely on the Shipper as presently suppliers are not required to accede to the UNC.
- There is no process for a Shipper to exit a commercial agreement\* should the supplier party be found in breach of the commercial contract between the Shipper and supplier

**\*Exiting a commercial agreement would involve the severing of ties for all shipping services in addition to any commercial or financial agreement**

# Solution



Proposed solution is for the respective workgroup to:

- Identify instances whereby a Shipper to exit a contractual agreement with a supplier
- Define a clear process for the Shipper to exit the agreement and cease shipping services without impacting the supply of gas to consumers; and
- Agree instances when the process can be initiated.

# Recommended Steps



- The Proposer recommends that this request should be progressed to Workgroup assessment to develop the modification for 2 months with a view to progressing the WG solution through the UNC process in early 2020