

Representation - Draft Modification Report UNC 0698S Improvements to Margins Notice Arrangements

Responses invited by: **5pm on 08 August 2019**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Phil Hobbins
Organisation:	National Grid NTS
Date of Representation:	2 nd August 2019
Support or oppose implementation?	Support
Relevant Objective:	a) Positive b) Positive c) Positive

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

As proposer, National Grid NTS continues to believe that relevant objectives (a), (b) and (c) would be better facilitated for the reasons stated in our Proposal.

In summary, enhanced information provision to the market where the supply / demand position is tightening, and additional transparency regarding the determination of the contribution of LNG to the Expected Available Supply will enable the market to respond more efficiently and therefore negate the need for National Grid NTS to intervene as residual balancer thereby facilitating more efficient operation of the network.

Self-Governance Statement:

National Grid NTS continues to believe that application of self-governance procedures in this case is appropriate for the reasons specified in our Proposal.

In summary, the effect of the proposed reforms is expected to be non-material in relation to the self-governance criteria whilst nevertheless representing an improvement when compared to the current arrangements.

Implementation:

We envisage that implementation can take place 16 business days following the appropriate decision being made by the UNC Modification Panel. No specific implementation date is proposed, however, it would be desirable to achieve

implementation in a timely manner to realise the benefits of this Proposal for winter 2019/20.

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

As noted in the Draft Modification Report, National Grid NTS will need to make the necessary changes to systems and procedures to enable provision of the additional early warning notice and calculation of the expected LNG supply volume in line with the new methodology.

Legal Text:

National Grid NTS is satisfied that the legal text delivers, and fully reflects, the intent of the solution.

Are there any errors or omissions in this Modification Report that you think should be taken into account?

National Grid NTS has not identified any such errors or omissions.

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

National Grid NTS notes that the principles advocated by this Proposal were developed within the Workgroup for Request 0669R and further, was recommended to progress as a UNC Modification Proposal.

It is worthy of note that the Proposal and Draft Modification Report highlights some detailed elements (related to the assessment of minimum LNG storage tank levels) that were developed following conclusion of the Workgroup by National Grid NTS. This was necessitated by the requirement to construct a fully developed Proposal and National Grid NTS has sought to explain the rationale for these elements within the Proposal.