

## Representation

### Draft Modification Report

#### 0458 – Seasonal LDZ System Capacity Rights.

**Consultation close out date:** 22 April 2014  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** Gas and Utility Technology Ltd  
**Representative:** Ian Mowbray (Director)  
**Date of Representation:** 18 April 2014

#### Do you support or oppose implementation?

Support/~~Oppose/Qualified Support/Neutral~~/Comments\* *(delete as appropriate)*

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

Gas and Utility acting on behalf of our client initiated the gas supply application which was instrumental in preparation of the Seasonal Load Modification proposal for consideration by the Unified Network Code (UNC) Committee. I can confirm at this time that our client has expressed a continued interest in proceeding with his application for a Natural gas connection to supply his seasonal load. Although our initial approach to Scotland Gas Networks was primarily in relation to this specific client enquiry, it was also recognised by both parties that our enquiry had wider implications and that it impacted upon the Unified Network Code. Potentially the Seasonal Load Modification could provide a facility which would give the opportunity for more effective development of the gas supply network. From reviewing the working group minutes over a period of time, it is clear that the potential take up of the Seasonal LDZ System Capacity Rights by existing customers is expected to be quite low in the first instance, however irrespective of this I consider that it is critical for this facility to be introduced for the following reasons:

1. It is necessary at this time to eliminate the requirement for unnecessary system reinforcement for seasonal loads and associated costs, the latter currently requiring to be borne by the network owner, gas user or both. In its present form, application of the UNC in relation to seasonal loads does not appear to result in strategic decisions being made in relation to system reinforcement, the associated cost of which is being borne by the network owner, end user or both.
2. It introduces the required flexibility to enable network owners to operate and develop their networks in a more effective and efficient manner through providing the framework to assist in addressing the system over capacity in the summer period.
3. As a result of the commercial benefits associated with the implementation of the seasonal load modification, once this facility is in place I consider that innovation over time will result in a significant take up of this facility.

0458  
Representation  
20 March 2014

Version 1.0

Page 1 of 3

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**Modification Panel Members have indicated that it would be particularly helpful if the following could be addressed in your response:**

**Q1** - Your view is sought on whether this modification furthers Relevant Objective (d) in addition to those stated (a, b and c):

The modification impacts positively on objectives a, b and c, I can't envisage that it will have any impact on d, e, f, and g.

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

None

**Relevant Objectives:**

*How would implementation of this modification impact the relevant objectives?*

Potentially it could provide a facility which would give the opportunity for more effective development of the gas supply network. From reviewing the working group minutes over a period of time, it is clear that the potential take up of the Seasonal LDZ System Capacity Rights by existing customers is expected to be quite low in the first instance, however irrespective of this I consider that it is critical for this facility to be introduced for the following reasons:

4. It is necessary at this time to eliminate the requirement for unnecessary system reinforcement for seasonal loads and the associated costs, the latter currently requiring to be borne by the network owner, gas user or both. In its present form, application of the UNC in relation to seasonal loads does not appear to result in strategic decisions being made in relation to system reinforcement, the associated cost of which is being borne by the network owner, end user or both.
5. It introduces the required flexibility to enable network owners to operate and develop their networks in a more effective and efficient manner through providing the framework to assist in addressing the system over capacity in the summer period.
6. As a result of the commercial benefits associated with the implementation of the seasonal load modification, once this facility is in place I consider that innovation over time will result in a significant take up of this facility.

**Impacts and Costs:**

*What analysis, development and ongoing costs would you face if this modification were implemented?*

None

**Implementation:**

*What lead-time would you wish to see prior to this modification being implemented, and why?*

Earliest implementation date achievable to enable us to progress our client's connection application and complete installation of his gas supply system during the current year.

**Legal Text:**

*Are you satisfied that the legal text will deliver the intent of the modification?*

YES

**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.*

None