

Representation

Draft Modification Report

0458 – Seasonal LDZ System Capacity Rights.

Consultation close out date: 22 April 2014
Respond to: enquiries@gasgovernance.co.uk
Organisation: Scotland and Southern Gas Networks
Representative: David Mitchell
Date of Representation: 08 April 2014

Do you support or oppose implementation?

Support

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

Thank you for providing SGN with the opportunity to respond to UNC Modification Proposal 0458. As the proposer of this Modification we support its implementation by the Authority and believe the proposed changes to the UNC will provide a basis for the more efficient use of off peak, summer network capacity, present on specific parts of the gas distribution network. The Modification will also provide a more efficient and economic platform for specific new connections to the distribution network who may only require access to network capacity for a restricted off peak summer time period.

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):

SGN consider the implementation of UNC modification 0458 may further Relevant Objective (d) (i) (securing competition between relevant shippers) by providing the opportunity for specific shippers to offer new contractual terms relating to off peak capacity products.

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?

Implementation of this modification will facilitate relevant objective (a) by removing unnecessary expenditure that would potentially be required to facilitate capacity during a 1 in 20 winter for summer

0458

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20 March 2014

Version 1.0

Page 1 of 2

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only large supply points. Relevant objective (a) would also be facilitated by encouraging the more efficient use of the existing capacity available on the network during off peak (summer) periods.

Relevant objective (b) will be facilitated by this modification by utilising the available off-peak NTS Exit capacity booking whilst at the same time negating the requirement to increase peak capacity winter bookings due to the seasonal nature of the connection.

One of SGN's licence outputs is to consider the requirements of its stakeholders, one group of which are end users. Specific I&C end users have indicated to SGN that a seasonal capacity product would be advantageous to their businesses therefore we believe that this modification furthers relevant objective (c) in the efficient discharge of our licence obligations. SGN are also obligated to meet 1 in 20 year capacity provisions on our networks in the most efficient and economic means possible, we believe that this modification allows us to achieve this output.

Impacts and Costs:

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

SGN would expect there to be minimal costs associated with the implementation of this proposal.

Implementation:

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

This modification can be implemented once an authority decision is made.

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.

No.