

## Representation

### Draft Modification Report

#### 0458 – Seasonal LDZ System Capacity Rights

**Consultation close out date:** 22 April 2014  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** E.ON  
**Representative:** Colette Baldwin  
**Date of Representation:** 17th April 2014

#### Do you support or oppose implementation?

Qualified Support

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

This is a pragmatic solution to enable a seasonal use of gas during the summer period when there is less demand for gas and would avoid the potentially unnecessary reinforcement of the network for these specific types of customers. We are concerned that there are no provisions within the proposal to restrict the ability of the site to offtake gas outside the agreed period, only to apply a financial penalty when discovered.

#### 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):

No. This mod is about making efficient use of the network at a time that gas demand is lower, whilst not burdening any potential new customer, who has a seasonal gas need, with any unnecessary reinforcement requirements. There are currently no customers that have been identified in data analysis carried out by Xoserve of customer whose usage patterns meets the profile of this potential product and who could therefore take advantage of it. It might however attract new types of customers into the market, but until the product is created and made available it can't create a competitive arena for suppliers or shippers to compete in and can't therefore facilitate competition between shippers or suppliers.

Additionally, a modification is not improved by the number of relevant objective it ticks...it should be sufficient that it meets one well, rather than trying to find hooks to each of the objectives to improve its success.

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

No

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**Relevant Objectives:**

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

Relevant Objective A: We believe this does facilitate the efficient use of the pipeline system, it avoid unnecessary reinforcement whilst at the same time taking advantage of potential new summer only demand.

**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?*

The implementation timeframe needs to be mindful of the seasonal nature of the product and will need to have the arrangements in place in time to offer this to customers this with sufficient notice to enable customers to contract in sufficient time.

**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