

## **What are Seasonal System Capacity Loads?**

Uniform Network Code (UNC) modification 0458 introduced a process that allows new and existing large customers (supply point) with a proposed / existing annual consumption (Annual Quantity) greater than or equal to 5,860,000Kwh the option to only use gas between 1<sup>st</sup> April and 30<sup>th</sup> September subject to meeting the requirements set by the relevant Gas Distribution Network (GDN). These are called Seasonal Large Supply Points (Summer Gas).

## **Why would I wish to use Seasonal System Capacity Loads?**

Seasonal System Capacity Loads allow Customers to use gas between the 1<sup>st</sup> April and the 30<sup>th</sup> September when overall demand on the network is low e.g. low demand for heating during the summer.

For new or additional loads the result of only using gas during this period is that it typically avoids the need to reinforce the network for the extra winter peak demands, the cost of which would ordinarily be passed onto the person requesting the new gas connection or increase.

An additional benefit for the Customer is that the system capacity charge is only applicable for the months where the GDN makes the capacity available rather than the normal 12 month period which therefore reduces the charges applicable i.e. the Customer only pays a capacity charge for 6 months instead of 12 months.

A good example of a Customer that may wish to take advantage of this seasonal type of gas supply includes farmers with grain dryers who operate their process for a short period each year.

## **I am thinking of applying for Seasonal System Capacity Loads – what do I need to do?**

Assuming that the relevant load is greater than 5,860,000 Kwh per annum then you can proceed to request a Seasonal System Capacity load using the existing new connections forms.

You will either have an existing relevant load; be requesting a load increase; or requesting a new connection.

If you are requesting a load increase or new connection then you will need to submit a request to your GDN, Utility Infrastructure Provider (UIP) or Independent Gas Transporter (iGT). If you are making a request to an iGT then the total load at the connection point will need to be greater than 5,860,000 Kwh per annum.

Your request will need to indicate the period that you want to use seasonal gas for, noting that the applicable period runs between 1<sup>st</sup> April until 30<sup>th</sup> September each year.


You should also talk to your preferred Gas Supplier so they can put in place suitable arrangements for providing the seasonal supply of gas.

## **It is important to allow sufficient time to put in place the appropriate arrangements to enable the Seasonal Capacity to be made available.**

As noted above a request for Seasonal Capacity Loads can be made by either an existing customer with an existing supply or wishing to increase their gas demand; or a customer who requires a new connection. In each instance the load for the period (between 1<sup>st</sup> April and 30<sup>th</sup> September) must exceed 5,860,000kWh per annum as stipulated in UNC Modification 0458 and the site must be daily metered.

The market for connections is competitive and you are free to make arrangements for a new gas connection via either a UIP, iGT or the relevant GDN subject to the request meeting the necessary requirements.

It should be noted that seasonal capacity loads are non-typical requests requiring extensive impact analysis and assessment across all pressure regimes and as much are managed outside of the regulatory reporting



process; however GDNs will endeavour to adhere to the published regulated standards of service in order to produce a quotation as soon as possible.

### **Why does the Gas Distribution Network require me to sign a Network Exit Agreement?**

A Network Exit Agreement (NExA) is between the GDN and the customer it sets out the terms and conditions of the gas connection. They are usually only used where the load has the potential to adversely impact the network. In the case of a seasonal capacity load the GDN will contact the Customer and advise them that they must sign a NExA if they wish to progress the quotation for seasonal capacity. The Customer will be expected to sign and return the NExA within 20 working days of it being issued to them. Any delay in returning this agreement will delay the sites ability to take gas from the network on the desired date.

NExAs must be signed and returned to GDNs by the Customer with at least one clear calendar months' notice before starting to use gas to allow the gas industry administrator (Xoserve) sufficient time to set the site up in their systems so that they are able to process the seasonal capacity load.

For example if a site was due to go live (start using gas) on the 10<sup>th</sup> May then Xoserve would need to be contacted by the GDN before the 1<sup>st</sup> April to allow sufficient time for the necessary system amendments. NExA's can be set up several months in advance of gas flowing as they only cover the period of consumption; so there is no need to wait. When the site is nominated by the Shipper the supply hourly quantity load details will need to match those submitted on the Seasonal Load Contract template.

GDN's will review the NExA's each year for validity. If there are no changes required, the load and operations window will continue until either party cancels the contract. If changes are needed then the GDN will contact the party who has signed the NExA in order to make the necessary amendment to the NExA.

Shippers will also be expected to sign a NExA ancillary agreement for a Connection System Exit Point (CSEP) connection and this document would need to be returned to the GDN. Due to the number of interactions involved it is prudent to commence this activity as early as possible to avoid any delays.


### **What is the Gas Distribution Networks Seasonal Capacity Contract with Xoserve?**

The Seasonal Capacity Contract is a document that exists between the GDNs and Xoserve. GDNs will be expected to complete a Seasonal Capacity Contract request that instructs Xoserve to set the site up in their systems; and this will need to be updated each year prior to the seasonal capacity period, so that Xoserve is able to update its systems. Each site must have its own Seasonal Load Contract request. Multiple sites must not be included on one request, and each Contract must specify the go live date for the site. Xoserve must send an email acceptance or rejection acknowledgement to the GDN, within 2 working days of the Seasonal Load Contract template being submitted to them. The last line entered on the Contract template will be deemed to be the current version of the load information and will supersede any other demand data on the template. For the avoidance of doubt a Seasonal Capacity Contract starts at the beginning of the month.

### **What is the site Nomination by Shippers?**

Once the Shipper has received the Meter Point Reference Number (MPRN) from Xoserve for the site, they can nominate it. The nomination process usually takes around 15 working days (3 weeks) to complete as the site nomination will need to be referred to the relevant GDN to confirm the site capacity. The nomination process for the site will be for the full gas demand that has been requested in the Seasonal Capacity Load.

All new sites will be recorded and maintained in Xoserve's Sites and Meters Database and will be subject to the current industry processes. When nominating the site it is important that the correct load details are established as these will determine the SOQ for the site, which may be subject to ratchet charges should the site use more gas than requested. Ratchet charges are triggered if the site breaches its nominated SOQ. Please



note that ratchet charges will be applied to Seasonal Capacity Loads for 12 months of the year as per the business rules set out in UNC modification 458.

Any changes to the terms and conditions included in the NExA relating to the period, or to the registered capacity (SOQ and SHQ) will need to be referred to the GDN.

### **What are Data Loggers and what do I need to do?**

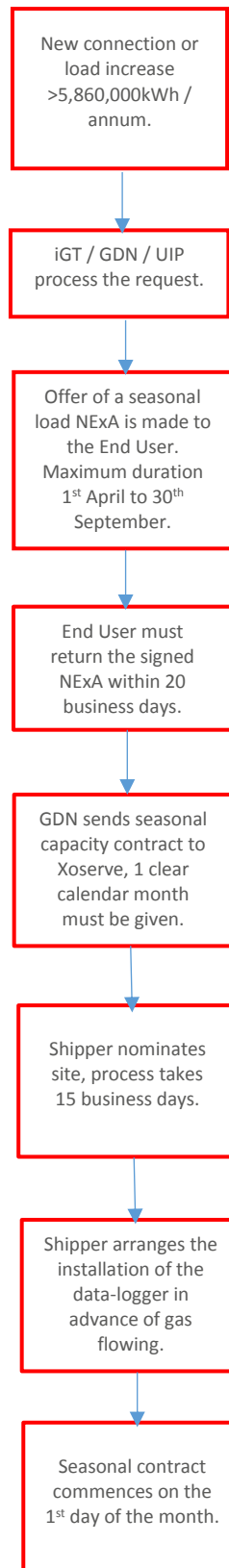
Under these arrangements the GDN require a remote meter reading facility (data-logger) Shippers are responsible for arranging data-loggers to be installed at seasonal capacity sites in advance of gas flowing. The installation of a data-logger should form part of the meter connection process for new connections. Due to the increased complexity of installing data-loggers, Shippers may need to factor in additional time to allow for the equipment to be installed to ensure that the go live date is not affected. GDNs will bear no responsibility for delays in the go-live date where the data-logger process has not been completed in sufficient time.

### **GDN Seasonal Load Contract Template**

In addition to the NExA, a Seasonal Load Contract template must be completed by the GDN for each new seasonal capacity site and submitted to Xoserve by the GDN to ensure that the record is updated in Xoserve's central systems. This template needs to be completed and submitted to Xoserve by the GDN's delegated authoriser who will be named on a list held by Xoserve. If the template is submitted by someone not on the delegated authoriser list then Xoserve will reject the request. Templates must be submitted to Xoserve before the 1<sup>st</sup> of the month to allow Xoserve one full calendar month to update their systems. For example if the start date of a Seasonal Capacity Load is due to commence on the 1<sup>st</sup> May then Xoserve would need to receive the Seasonal Load Contract template before the 1<sup>st</sup> April so that the 1<sup>st</sup> May deadline can be met.

Existing connections rules still apply for accepted requests for Seasonal Large Supply Points, in that an acceptance is only valid for a period of 180 days after which the GDN reserves the right to cancel the request which will mean that the process will have to start again.

## High Level Process Flow





## Appendix

### Glossary of Terms

AQ - Annual Quantity – Annual gas demand normally measure in kilowatt hours.

CSEP – Connected System Exit Point.

Data-Logger – Equipment used to measure gas usage and send read information.

GDN - Gas Distribution Network – Company that owns a gas distribution network and transports gas.

iGT - Independent Gas Transporter – A company that is licenced to build, maintain and own a gas network downstream of a Gas Distribution Network.

MPRN – Meter Point Reference Number.

NExA - Network Exit Agreement – Agreement between the gas distribution network and the party taking gas from the network.

Seasonal Capacity Load – Gas connections that can only be used between 1<sup>st</sup> April and 30<sup>th</sup> September each year.

Shipper – Delivers gas to the Total System.

SHQ – Supply Hourly Quantity; the amount of gas used each hour.

SOQ – Supply Offtake Quantity; the daily amount of gas used at the supply point.

UIP - Utility Infrastructure Provider; a company that is accredited to make gas connections to a Distribution Network.

UNC - Uniform Network Code – The legal framework that underpins the UK gas market. (The commercial hub around which the GB gas market revolves.)

Xoserve – The Central Data Service Provider that manages data for GB's 22 million meter points.