

**UNC Workgroup 0458 Minutes
Seasonal LDZ System Capacity Rights**

Thursday 22 August 2013

at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andrew Margan	(AM)	British Gas
Andy Clasper	(AC)	National Grid Distribution
Chris Hill	(CH)	Cornwall Energy
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
David Corby	(DC)	National Grid NTS
David Mitchell	(DM)	Scotia Gas Networks
Edward Hunter	(EH)	RWE npower
Erika Melén	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye
Hilary Chapman	(HCh)	Xoserve
Huw Comerford	(HW)	Utilita
Joel Martin	(JM)	Scotia Gas Networks
Jon Dixon	(JD)	Ofgem
Lorna Lewin	(LL)	DONG Energy
Marie Clark	(MC)	ScottishPower
Mark Jones	(MJ)	SSE
Steve Mulinganie*	(SM)	Gazprom
Tom Chevalier	(TC)	Association of Meter Operators

**via teleconference*

Copies of all papers are available at: www.gasgovernance.co.uk/0458/220813

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 December 2013.

1.0 Review of Minutes and Actions from previous meeting

1.1. Minutes

The minutes of the previous meeting were approved.

1.2. Actions

0701: Evidence required that the 200,000tpa threshold is appropriate.

Update: JM recapped on the background to the action, and indicated there was potential to adjust the modification subsequent to implementation. The DNs did not have direct contact with the customer base and it was difficult to carry out analysis to ascertain the likely position (volume of capacity likely to shift) as they do not really see seasonal usage. NDM Shippers were likely to be more aware of customers likely to shift and might consider sharing this intelligence with the DNs.; subject to evidence suggesting it was necessary JM could consider shifting the threshold. **Carried Forward**

It was suggested that all the DNs analyse their DM data and try and arrive at a likely number of customers that might shift and that Shippers inform the DNs of Supply Points that might have an associated capacity level that might migrate. Which are the most likely customers that use gas in summer and would be likely to shift to this regime?

New Action 0801: DNs to analyse their DM data and try and arrive at a likely number of customers that might shift, and Shippers to inform the DNs (by email) of Supply Points that might have an associated capacity level that might migrate.

2.0 Discussion

Legal Text and Cost Estimate

JM indicated these were under preparation for review at the next meeting. The potential number of participants would have a bearing on the cost estimate; existing systems may cope or may need to be adjusted.

Business Rules

BR6 – JM clarified this. If the April-September period requirement was met there was no need to refuse the customer; if it was not in line with this window then it would be subject to the Network's assessment. The DN would set the window.

AM was concerned that this was changing the rules for capacity and creating opportunities to avoid paying capacity charges. JM responded that there was probably only a very small group of customers for whom this regime was suitable, ie those who operate wholly within the summer period, eg an agricultural grain dryer. Separate, split out meter points might address any concerns relating to burn outside of the window, eg a farmhouse using gas for domestic purposes. The major load should only be utilised in the summer and the window allocated by the DN to access that capacity.

It was pointed out that once Modification 0428 is fully implemented some of these potential issues and concerns will disappear naturally as a result.

As noted at Action 0801 above, industry intelligence will help to define the costs and management approach that can be adopted; this should be sent by email to each relevant DN to help inform the outcome.

Next Steps

Legal text and cost estimate were to be made available for review at the next meeting.

3.0 Any Other Business

None.

4.0 Diary Planning for Review Group

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

The next meeting will take place within the business proceedings of the Distribution Workgroup on Thursday 26 September 2013, 10:30 ENA, 52 Horseferry Road, London SW1P 2AF.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0701	25/07/13	2.0	Evidence required that the 200,000tpa threshold is appropriate.	Scotia Gas Networks (JM)	Carried Forward
0801	22/08/13	1.2	DNs to analyse their DM data and try and arrive at a likely number of customers that might shift, and Shippers to inform the DNs (by email) of Supply Points that might have an associated capacity level that might migrate.	DNs and Shippers	Pending