

**UNC Workgroup 0458 Minutes**  
**Seasonal LDZ System Capacity Rights**  
**Wednesday 09 October 2013**  
**Consort House, 6 Homer Road, Solihull, B91 3QQ**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Alex Ross-Shaw*	(ARS)	Northern Gas Networks
Andrew Margan	(AM)	British Gas
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
Edward Hunter	(EH)	RWE npower
Hilary Chapman	(HCh)	Xoserve
Huw Comerford	(HCo)	Utilita
Joel Martin	(JM)	Scotia Gas Networks
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Steve Mulinganie	(SM)	Gazprom

\*via teleconference

Copies of all papers are available at: [www.gasgovernance.co.uk/0458/091013](http://www.gasgovernance.co.uk/0458/091013)

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 confirmed data analysis on the potential number of summer load profile sites had been examined for Scotia Gas Networks (SGN). This included looking at the individual AQs of NDM sites that fall below the 200,000tpa, from the information examined SGN concluded the 200,000tpa threshold could be lowered as the likely take up would be minimal, however this conclusion was based solely on the SGN network. JM suggested the Workgroup need to take into account the cost materiality, looking at the load band and AQ. CB was also interested on the impact to other networks for reassurance of the potential levels of interest.

JM agreed to provide the Workgroup with an anonymised table to illustrate the analysis undertaken by SGN. **Carried Forward**

**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 benefit from this modification.

**Update:** See Action Update 0701 above. DNs to provide data of summer load profiles by Network for consideration at the next meeting. **Carried Forward**

## 2.0 Legal Text

JM confirmed that the Legal text would be made available for review at the next meeting.

## 3.0 Discussion

JM suggested the Workgroup need to consider the likely impact on charges from this change.

DA envisaged an offline solution could be developed within 3-4 months, with a high level cost estimate in the range of £20k-£100k. Though it is anticipated that the development costs should be nearer to the low end.

JM clarified a ratchet charge would be incurred for exceeding the SOQ, and they would need to maintain an SOQ value for 12 months but only committing to 6 months, supported by an incentive charge. He suggested a rate would be set for six months to mirror the LDZ capacity charge with an optional credit back.

JM clarified the 12 month period will run from 01 April to the 31 March with a requirement for nominations to be in place before 01 April.

SM requested that the legal text makes it clear that there is a referral process but should this be a permanent switch.

## 4.0 Any Other Business

None.

## 4.0 Diary Planning for Review Group

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

The next meeting will take place within the business proceedings of the Distribution Workgroup on:

Friday 08 November 2013, 10:30 at Consort House, 6 Homer Road, Solihull B91 3QQ

### 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)	<b>Carried Forward</b>
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	<b>Pending</b>