

UNC Workgroup 0458 Minutes
Seasonal LDZ System Capacity Rights
10:00 Friday 12 July 2013
via teleconference

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Colette Baldwin	(CB)	E.ON UK
Colin Nairn	(CN)	Scotia Gas Networks
Dave Addison	(DA)	Xoserve
Dean Johnson	(DJ)	Xoserve
Erika Melen	(EM)	Scotia Gas Networks
Hilary Chapman	(HC)	Xoserve
Joanna Ferguson	(JF)	Northern Gas Networks
Joel Martin	(JM)	Scotia Gas Networks
Tony Pearson	(TP)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0458/120713

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

1.0 Outline of Modification

JM introduced the modification and explained the rationale behind raising it. SGN have raised the modification after several approaches from users looking to access capacity only during the summer period.

2.0 Initial Discussion

If capacity is requested, this is available all year round and so adds to models of peak demand. This could therefore trigger network investment despite the user having no intention of using the capacity in the winter months, and could lead to the connectee being asked to fund reinforcement works. JM indicated that implementation of the modification could, therefore, help the Distribution Networks to avoid unnecessary and substantial reinforcement costs. Implementation could help to marginally reduce everyone's network charges; reduce connection costs; and potentially release otherwise sterilised capacity. It was felt that being in a position to offer seasonal capacity seems a logical step forward.

JM suggested that originally SGN believed the modification could go direct to consultation, but further consideration of how best to develop the business rules (*i.e. consideration of larger supply point threshold limits, consideration of possible future 'whole' market requirements, identification of suitable summer period windows (including limitations around adopting strict cut-off dates) and the wider contractual impacts such as NExA etc.*) means the modification merits being assessed by a Workgroup.

JM advised that he would be looking for a winter 2013 implementation date.

3.0 Consider Terms of Reference

No issues were raised.

4.0 Any Other Business

None.

5.0 Diary Planning for Review Group

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

Following a brief discussion, it was agreed that, in order to attract relevant attendees, the next meeting would take place within the Distribution Workgroup meeting on Thursday 25 July 2013 at 10:30am at Consort House, 6 Homer Road, Solihull, B91 3QQ.