

UNC Workgroup 0458 Minutes
Seasonal LDZ System Capacity Rights
Thursday 28 November 2013
at ENA, Dean Bradley House, 52 Horseferry Road,
London SW1P 2AF

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alan Raper	(AR)	National Grid Distribution
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
Erika Melén	(EM)	Scotia Gas Networks
Hilary Chapman	(HC)	Xoserve
Kirsten Elliot-Smith	(KES)	Cornwall Energy
Lorna Lewin	(LL)	DONG Energy
Marie Clark	(MC)	ScottishPower
Mark Jones	(MJ)	SSE

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0458/281113

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

1.0 Review of Minutes and Actions

1.1 Minutes

The minutes of the previous meeting were accepted.

1.2 Actions

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.

Update: DA advised that since the last Workgroup meeting, Xoserve had analysed the live DM sites for all DNs that are potentially impacted and conclude that there is NO clear evidence to suggest that there are any sites with a seasonal load (over a two year period) and a zero offtake load existing. AM suggested that the real question related more to whether or not the data could be anomalised and made available to Shippers. Responding, JM suggested that more consideration (by the DNs) of the matter would be needed before releasing such information and that there may be a possibility that the DNs could provide some anomalised AQ realigned data.

When asked whether or not the modification seeks to cater for new customers, JM confirmed that to be true and that it has subsequently been widened to also include existing customers as well. In short there is potential for a DM site that only burns gas

during the summer months to then utilise NDM provisions for the remainder of the year. He went on to add that whilst there are only a few Shippers who have so far indicated an interest, potential commercial drivers that fallout as part of the development of the modification could see this change (i.e. summer only use of gas becomes a more commercially viable option). DA added that whilst Xoserve had identified some significant consumption related peaks over a two year period, they could not ascertain whether it actually demonstrated a clear seasonal profile which could potentially identify who might wish to opt into the service going forward.

It was agreed that JM/DA would consider the matter further offline. **Carried Forward**

1101: Scotia Gas Networks (EM) to investigate what capacity (ratchet) considerations had been included within the modification

Update: JM advised that the modification envisages that the current ratchet rules would apply. **Closed**

2.0 Additional information/analysis

Rough Order of Magnitude (ROM) Considerations

DA explained that as it not anticipated that a large number of sites would be taking up the service provision, it is not proposed to implement any changes prior to Project Nexus. Development costs of up to £30k could be involved and would include provision of new functionality in the form of new 'S' flag to denote seasonal, along with additional process related changes. However, he asked those present to note that whilst it is proposed to provide a ratchet band based solution, it would not be an automated one as per the current winter ratchet mechanism – as a consequence, there may be a small lag related difference between the two ratchet mechanism (summer/winter) response rates.

Some discussion took place around whether or not a customer would be able to undertake a ratchet without telling the Transporters about their SOQ change (i.e never invoke a winter ratchet trigger). Responding, JM reminded everyone that as the Transporters receive DM reads, they are in a position to monitor matters (via the hourly capacity indications) and that furthermore, any party that deliberately books a low SOQ to avoid charges is potentially in breach of their Code obligations which could result in their supply being cut-off. When asked about potentially take up numbers, JM suggested that he is aware that SGN have one potential customer and that NGN believe that they also have one as well. CB voiced her concern that it would appear that we could be creating a regime that has little or no takers. JM pointed out that there are also some potential economic benefits relating to a potential reduction in reinforcement related costs going forward.

DA went on to advise that Xoserve anticipate a 3 to 4 month implementation lead time.

3.0 Legal Text

JM provided an explanation behind the rationale for the proposed draft legal text changes and that subtly amended text would be forthcoming within the week. A new action was placed against all parties to review the legal text and provide their views at the next Workgroup meeting.

Action 0458 1102: All parties to review the draft legal text and provide their views at the next Workgroup meeting.

4.0 Workgroup Report

Consideration deferred.

5.0 Any Other Business

None.

6.0 Diary Planning

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

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

Tuesday 07 January 2014, at 10:30 at Consort House, 6 Homer Road, Solihull B91 3QQ

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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
1101	08/11/13	4.0	To investigate what capacity (ratchet) considerations had been included within the modification.	Scotia Gas Networks (EM)	Closed
1102	28/11/13	3.0	To review the draft legal text and provide their views at the next Workgroup meeting.	All	Pending