

Representation

Draft Modification Report

0443 - Arranging Flow Swaps between NTS/LDZ Offtakes with increased lead times or for prolonged periods

Consultation close out date: 07 June 2013

Respond to: enquiries@gasgovernance.co.uk

Organisation: Scotland & Southern Gas Networks

Representative: Erika Melén

Date of Representation: 06 June 2013

Do you support or oppose implementation?

Support

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

As proposer, SGN are in support of this modification proposal which has been developed and agreed by all DNOs and National Grid Transmission.

Currently, the rules as set out in UNC OAD do not allow for flow swaps to be notified prior to D-1 and also do not allow flow swaps to continue past D (D being the first day a flow swap is required).

The modification proposes that a flow swap agreement is signed by both DNO and National Grid prior to or on the first day of any flow swap which will then ensure that both parties are given as much notice as possible.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No

Self-Governance:

While the Panel decided this is not a Self-Governance Modification, the Proposer subsequently asked for this to be reconsidered. Ofgem has agreed to look at changing this to a Self-Governance Modification if this course of action is supported by consultation responses. What is your view on the suitability of self-governance?

At the initial discussion at Panel where it was decided that Self Governance was not applicable National Grid Transmission were the main party who objected to this arrangement. They have since changed their opinion following development of the modification and so this should now be changed.

The modification, if implemented, will not have any impact on customers or competition and so fulfils the Self Governance criteria.

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Version 1.0

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Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Being able to agree a long term flow swap is beneficial to DNOs and National Grid NTS for planning purposes thereby ensuring efficient operation of the combined networks. This will benefit relevant objectives a) and b) by offering benefits to both the transmission and distribution networks.

As DNOs, under the proposed arrangements, will be able to flow swap whilst undergoing urgent or planned maintenance past Day One this will ensure that the 1 in 20 Licence Condition can be met by DNOs hence further facilitating relevant objective c).

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

SGN will not face any costs through the implementation of this modification but all parties, DNOs and National Grid NTS, will face some administrative impacts.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

If Self Governance is granted then the modification should be implemented after the standard 16 days. If Self Governance is not granted then implementation should occur as soon as possible following Ofgem's decision.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

It should be noted that we are fully in support of this solution but do feel that once implemented a more enduring solution should be developed with industry.