

## Workgroup Terms of Reference

### Modification 0382 – Reducing the capacity element of LDZ system charges for SSPs

**Workgroup Report to Panel Meeting:** 15 September 2011

**Date referred from Panel:** 19 May 2011

### Background – Why Change?

See <http://www.gasgovernance.co.uk/0382>

### Solution

It is proposed that, for Smaller Supply Points, the DN Transportation Charging methodology, as set out in Section Y of the UNC, is modified such that the capacity element of the LDZ System charges be targeted to recover 50% rather than 95%, and the commodity element of the LDZ System charges is targeted to recover 50% rather than 5%, of the revenue from the LDZ system charges.

### Topics for Discussion

- Understanding the objective
- Review the definitions within the modification
- Consider potential impacts on UNC reports and systems
- Review previous work supporting the 95/05 split
- Consider potential impacts on all Transportation Charges
- Assessment of alternative means to achieve objective
- Development of Solution (including business rules if appropriate)
- Assessment of potential impacts of the modification
- Assessment of implementation costs
- Assessment of legal text

## **Outputs**

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup.

## **Composition of Workgroup**

This Workgroup will be open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two User representatives are present.

## **Meeting Arrangements**

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice