

Representation - Draft Modification Report UNC 0808

Reverse Compression

Responses invited by: 5pm on 10 August 2023

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	David Mitchell
Organisation:	Scotland Gas Networks Ltd and Southern Gas Networks Ltd
Date of Representation:	9 th August 2023
Support or oppose implementation?	Qualified Support
Relevant Objective:	b) Positive d) Positive
Relevant Charging Methodology Objective:	c) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

SGN would like to offer qualified support to this modification on the basis that our Connections Charging Methodology 4B statement will need to be amended to consider the obligations that this modification would introduce in relation to the recovery of DNO costs associated with facilitating the reverse compression facility. Amendments to our Connections Charging Methodology 4B statement are subject to an authority approval of the costs that we will apply to this process hence our qualified support due to this requirement.

All requests to install Reverse Compression Facilities on a Distribution Network (DN) will be subject to the Distribution Network Operator (DNO) completing the necessary analysis of its network to determine the suitability of the gas network to facilitate the Reverse Compression Facilities and whether other solutions would be more appropriate to deliver the necessary entry capacity. DNOs will typically assess their current pressure management processes before they allow a Delivery Facility Operator (DFO) to enter gas onto their network. If the DNO is unable to facilitate the necessary capacity on the network then they will assess, on request, the suitability of the Reverse Compression Facility in moving gas from a lower to higher pressure tier to facilitate additional capacity on the DNO network to permit the DFO to enter gas onto the DNOs network at the required rate.

Joint Office of Gas Transporters

We believe that this modification contains suitable obligations that will require parties to enter into a bilateral 'operator to operator' agreement which will permit the DNO to stipulate the requirements of the Reverse Compression Facility noting that each facility will have its own site-specific agreement. Gas will not be permitted to flow at a Reverse Compression facility unless an IGT LDZ System Network Entry Agreement is in force. Only parties that hold an IGT licence will be able to enter into an IGT LDZ System Network Entry Agreement with the DNO.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

If this modification is implemented then there would need to be a suitable period of time to allow the DNOs to update and publish their Connections Charging Methodology 4B Statements that the authority would need to approve.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

SGN does not envisage any direct costs as a result of this modification being implemented.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

As legal text providers for the modification we are satisfied that the legal text discharges the intent of the business rules in the modification solution.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

We do not believe that there are any omissions in the modification report that need to be considered.

Please provide below any additional analysis or information to support your representation

None identified.