

UNC 0678E:Amendments to Gas Transmission Charging Regime – Treatment of Storage



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Why change?



- A new transmission charging regime has to be implemented to comply with EU TAR requirements as well as satisfy the various GB GT Licence Relevant and Charging Objectives
- Mod 0678E has been raised in response to Mod 0678, covering the same Code areas (Gas Transmission Charging Methodology), and should be treated as an Alternative Modification
- Modification 0678 has been granted urgent status by Ofgem who advise that any Alternative should follow the same development timetable

Options



- Modification 0678 looks to implement the minimum requirements of the EU TAR and does not in the Proposer's opinion provide a solution in the best interests of GB customers. National Grid has not incorporated those elements which the Proposer has variously stated, requiring that an Alternative Modification is raised.
- A New Modification not classed as an Alternative would undermine the Code change process, be at odds with the Ofgem advice and result in imperfect governance, procedural and market outcomes
- Modification 0678E should be regarded as an Alternative to Modification 0678. This was the case with Modification 0621A, which is similar to Modification 0678E, which was considered to be an Alternative

Solution



- The solution shares many common elements with Modification 0678, but differs as follows:
 - Setting the Storage Discount at [80%] (0678 proposes a level of 50%)
 - The exclusion of all storage capacity from the application of the Transmission Services Revenue (capacity) Recovery Charge with the exception of that used for “own-use” (0678 restricts to exclusion to Existing Capacity held at storage)

Recommended Steps



- The Proposer recommends that this modification should be:
- Treated as an Alternative to Modification 0678 (and the other Alternatives) and assessed and progressed on the same timetable
- Not subject to self-governance because of the significant impacts on Users