

UNC 0678B: Amendments to Gas Transmission Charging Regime



Proposer: Graham Jack, Centrica

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Why change?



- It is necessary to define and implement a new gas transmission charging regime that meets the requirements of the EU Tariff network code and provides for more predictable and stable charges in future.
- Modification 0678B has been raised in response to National Grid's 0678 Modification and covers the same subject matter, i.e. a new 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 and delivery timetable.

Options



- The Proposer has expressed views to National Grid on what are major shortcomings with Modification 0678. To date, no changes have been made to address these views and it has therefore been necessary to expedite this Alternative Modification.
- Raising a New Modification instead of an Alternative would act against the need for urgency, would result in duplication of Workgroup effort and lead to a disjointed consultation process. It would therefore not be in the interests of an effective code change process to go down this route.
- The clear choice is therefore to progress Modification 0678B as an Alternative to 0678 and to broadly the same timescale. (The obvious precedent was the Panel decision to grant Modification 0621C Alternative status in relation to Modification 0621.)

Solution



- The solution shares many common elements with Modification 0678 but differs in the following key areas:
 - A new Optional Capacity Charge is introduced to replace the existing Optional Commodity Charge (0678 provides no optional charge solution)
 - Transmission Services Revenue Recovery charges will not apply to any Existing entry capacity contracts (0678 restricts this to Existing contracts for storage sites)
 - A new Forecasted Contracted Capacity Methodology is to be included in the UNC (0678 intends to keep the rules outside the UNC)

Recommended Steps



- The Proposer recommends that this modification should be:
 - Treated as an Alternative to Modification 0678 (and 0678A) and assessed and progressed with them on the same timetable.
 - Not subject to self-governance procedures given the major impact expected on system users.