

UNC 0678H:Amendments to Gas Transmissior, Charging Regime (Postage Stamp) – Inclusion of a cost based Optional Capacity Charge



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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 0678H 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 0678H should be regarded as an Alternative to Modification 0678.

Solution



- The solution shares many common elements with Modification 0678, but differs as follows:
 - Application of Postage Stamp as the Reference Price Methodology
 - Replacement of Optional Capacity Charge with a cost based Optional Capacity Charge
 - Recommends implementation no earlier than 1 Oct 2020

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