

## UNC Transmission Workgroup Minutes

Thursday 05 December 2019

at Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91  
2AA

### Attendees

Alan Raper Chair	(AR)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Alex Neild*	(AN)	Storengy UK
Andrew Blair*	(ABI)	IUK
Andrew Pearce	(AP)	BP
Angela Fletcher*	(AF)	Ancala Midstream
Angus Paxton	(AP)	Poyry Management Consulting
Anna Shrigley	(AS)	Eni Trading & Shipping
Anna Stankiewicz*	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Bill Reed	(BR)	RWE
Cara Finn	(CF)	National Grid
Christiane Sykes*	(CS)	Shell
David Adlam	(DA)	Cadent
David Mitchell*	(DM)	SGN
Debra Hawkin	(DH)	TPA Solutions
Edd Fyfe*	(EF)	SGN
Emma Buckton*	(EB)	Northern Gas Networks
Jeff Chandler*	(JC)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova*	(KN)	ESB
Kamla Rhodes	(KR)	Conoco Phillips
Lea Slokar*	(LS)	Ofgem
Loraine O'Shaughnessy	(LO)	Joint Office
Malcolm Montgomery	(MM)	National Grid
Nick King	(NK)	CNG Services Ltd
Nick Wye	(NW)	Waters Wye Associates
Nicola Lond	(NL)	National Grid
Phil Hobbins	(PH)	National Grid
Richard Fairholme	(RF)	Uniper
Richard Pomroy*	(RP)	Wales & West Utilities
Ritchard Hewitt	(RH)	BBL
Shiv Singh*	(SS)	Cadent
Steven Britton*	(SB)	Cornwall Energy
Terry Burke*	(TB)	Equinor
Tracy Brogan	(TB)	Neptune Energy
Will Webster*	(WW)	Oil & Gas UK

\*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/tx/051219>

## 1. Introduction

### 1.1. Approval of minutes (07 November 2019)

The minutes from the previous meeting were approved.

### 1.2. Ofgem update

An overview was provided by Lea Slokar (LS) of the Industry Updates document which covered the following topics:

#### **Summary of recent modifications to the GT1 Price Control Financial Model 2019**

- On 6 November 2019 Ofgem published an up-to-date schedule of Modifications made to the GT1 Price Control Financial Model (PCFM). The page below lists all Modifications between the publication of the 2018 Annual Iteration Process (AIP) on 30 November 2018 and the publication of the PCFM for use in AIP 2019.
- <https://www.ofgem.gov.uk/publications-and-updates/summary-recent-modifications-gt1-price-control-financial-model-2019>

#### **Targeted Charging Review: Decision and Impact Assessment**

- On 21 November 2019 Ofgem published their final decision on TCR. Ofgem have decided that:
- Residual charges will be levied in the form of fixed charges for all households and businesses.
- Ofgem will be removing liability for the Transmission Generation Residual from Generators and making changes to one of the 'Embedded Benefits' received by Smaller Distributed Generators in relation to balancing services charges.
- <https://www.ofgem.gov.uk/publications-and-updates/targeted-charging-review-decision-and-impact-assessment>

#### **St Fergus and Hatton Needs Case Decision**

- On 26 November 2019 Ofgem published their decision on the need for investment in new compressor units at St Fergus and Hatton. In 2015 and 2018, NGGT put forward reopener submissions which included compressor works at its St Fergus and Hatton sites to make them compliant with the relevant emissions legislation (Ofgem rejected these two applications for funding). In June 2019 NGGT submitted an updated needs case for investment at its St Fergus and Hatton sites. Their assessment of this submission is based on the assessment approach Ofgem set out in their reopener 2018 decision, with consideration given to our RIIO-2 objective of ensuring that networks are prepared for the future and reflect the needs of the existing and future consumers.
- <https://www.ofgem.gov.uk/publications-and-updates/st-fergus-and-hatton-needs-case-decision>

#### **Decision on the Stakeholder Engagement Incentive 2018-19: Transmission and Gas Distribution**

- On 27 November 2019 Ofgem published their decision on the gas and electricity Transmission Operators and Gas Distribution Network Operators Stakeholder Engagement Incentive for 2018-19, which includes the Panel scores and financial rewards for the network companies. The Stakeholder Engagement Incentive drives network companies to engage effectively with stakeholders to inform how they plan and run their businesses.
- <https://www.ofgem.gov.uk/publications-and-updates/decision-stakeholder-engagement-incentive-2018-19-transmission-and-gas-distribution>

## Network Innovation Competition 2019 Funding Decisions

- On 29 November 2019 Ofgem decided to award £21.2 million across one gas and two electricity projects. Their decision is informed by the recommendations of independent Expert Panels. The gas project we have decided to offer funding to is the H21 Phase 2 project (Northern Gas Networks, £6.8m), subject to conditions. The aim of this project is to demonstrate that the gas distribution network can safely transport 100% hydrogen.
- [https://www.ofgem.gov.uk/system/files/docs/2019/11/2019\\_nic\\_decision\\_document\\_for\\_publication.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/11/2019_nic_decision_document_for_publication.pdf)

## Ofgem publishes 2019 Annual Iteration Process for network price controls

- On 29 November 2019 Ofgem published the results of the 2019 Annual Iteration Process (AIP) for energy network companies under its network price controls. This year's AIP has reduced the allowed revenue that network companies will collect relative to the assumptions made at the start of the price controls by around £965 million (2018/19 Prices), saving consumers money on their bills. This reduction is driven by lower Cost of Debt due to lower interest rates (see Cost of Debt Indexation files [here](#)) and by the reduced Allowed Expenditure (overall, network companies are spending less than assumed at the start of the price control).
- <https://www.ofgem.gov.uk/publications-and-updates/ofgem-publishes-2019-annual-iteration-process-network-price-controls>
- On the same day (29 November 2019) Ofgem published RIIO-GT1 Directions for the Annual Iteration Process. The Gas and Electricity Markets Authority is to direct the revised PCFM Variable Values used in the Annual Iteration Process and the value of the term MOD, produced as a result of that process, by 30 November. A separate [financial model](#) containing the full set of calculations has been published alongside these Directions and is available from the related links section.
- <https://authors.ofgem.gov.uk/publications-and-updates/rrio-gt1-directions-annual-iteration-process-november-2019>

Alan Raper (AR) asked LS whether Ofgem had any updates on the Modifications that were presently awaiting Ofgem decisions and these were:

*0687 – Inclusion and Amendment to Entry Incremental Capacity Release NPV Test in UNC*

*0678 A,B,C,D,E,F,G,H,I,J (Urgent) Amendments to the Gas Transmission Charging Regime*

*0686 – Removal of the NTS Optional Commodity Tate with adequate notice*

*0687 – Creation of new charge to recover Last Resort Supply Payments*

LS said that there was going to be a 'minded to' position submitted by Ofgem before Christmas 2019 regarding Modification 0678 & variants, and that she did not have any other updates at the present time regarding the other Modifications currently with Ofgem.

### 1.3. Pre-Modification discussions

#### 1.3.1. 0712 - Amending the oxygen content limit in the Network Entry Agreement (NEA) at the St Fergus SAGE Plant (AF)

AR explained that this pre-Modification had been discussed in the November Transmission Workgroup, but that it had missed the Panel deadline and so Angela Fletcher (AF) provided a further update.

Angela Fletcher (AF) introduced herself and explained that Ancala Midstream Acquisitions Ltd (AMAL) were presenting the draft Modification as the interested party, although the proposal had been raised by UNC party, OMV Gas Marketing and Trading GmbH, (OMV). She said the enabling Modification was seeking to facilitate an increase in oxygen limit in the Network Entry Agreement at the SAGE Terminal between National Grid Gas Plc and SAGE North Sea Limited (SNSL) and that it was proposed to increase the limit from 0.001 mol% (10 ppm) to 0.01 mol% (100 ppm).

AF explained in the UK, there were two oxygen limits that were pertinent to network entry requirements. The first, 2000ppm (0.2mol%) was a safety limit specified in Schedule 3 Part 1 (regulation 8) of the Gas Safety (Management) Regulations. The second was a guideline limit of 10ppm (0.001mol%) contained in National Grid's Gas Ten Year Statement, which was currently in place in the SAGE Network Entry Agreement, which governed gas export specification from the St Fergus SAGE Terminal.

AF said that Ancala Midstream Acquisitions Ltd (AMAL) were seeking to bring new Norwegian gas volumes into the National Grid via the St Fergus SAGE gas terminal and that OMV 's Norwegian affiliate was a co-owner of these gas volumes.

AF explained that OMV, is a UNC shipper, and would be sponsoring the proposal while the SNSL's gas shipper licence application progresses. She explained the processing of this gas to meet the current GS(M)R (1996) defined Incomplete Combustion Factor ("ICF") specification would require ballasting with nitrogen gas. She said the available Pressure Swing Absorption ("PSA") nitrogen generation units produced nitrogen with a minimum 99.5% vol. purity and that analysis of SAGE Terminal export composition showed that this would result in an Oxygen content range of 50 to 70 ppm (0.005 to 0.007 mol%) in gas exported to the NTS.

AF said that the solution to this issue, was to increase the permitted oxygen content of the gas in the SAGE Network Entry Agreement from 0.001 mol% to 0.01 mol%. This increased level would remain well within the level of 0.2 mol% allowable under the Gas Safety (Management) Regulations. It would also appear to be significantly lower than the limits permitted at several other NTS entry points.

AF confirmed that National Grid had already commenced the necessary oxygen penetration analysis which was proving to be very helpful and that more information would be supplied by National Grid at the January meeting.

**New Action 1201:** National Grid (PH) to present the findings of the NTS penetration analysis at the January meeting.

AR said the Modification would be presented at the December Panel and would then be allocated to the Transmission Workgroup for further development. AF said that if anyone had any further questions then she was happy to be contacted directly in this regard via: [angela.fletcher@ancalamidstream.com](mailto:angela.fletcher@ancalamidstream.com)

### 1.3.2. Update to Cash Out Price (National Grid – MM)

Malcolm Montgomery (MM) introduced the Pre-Modification and explained that the current cash-out arrangements were based upon an annually calculated default system marginal price. The principle of which was intended as a proxy of the cost associated with managing an imbalance on the network.

He said that National Grid were proposing an update of the formula used to calculate the default system marginal price (SMP) as it is was no longer deemed to be an accurate reflection of the way the network was operated due to market evolution since 2011. He added that over the past ten years, the way the NTS operates had changed dramatically, particularly in terms of supply/demand patterns, in day linepack change and day on day linepack variability. He explained a formula was needed to reflect the current system, with it being adaptive enough to evolve with future changes, within the scope permitted by EU Bal code. He added that due to the compressor usage this may no longer be the most appropriate proxy of the cost associated with managing an imbalance on the network.

MM then overviewed the current formula, as detailed below and was derived in 2011 and was closely linked to compressor usage, previous years demand and capacity charges.

$$\text{Default System Marginal Price (pence/kWh)} = \left[ \frac{\text{Annual Compressor Fuel Cost (£) x 100}}{\text{Total System Demand (TWh) x } 10^9} \right] + \text{Average Forecast NTS Capacity Charges (pence/kWh)}$$

Bill Reed (BR) said he did not accord with this approach and did not agree with the conclusions that National Grid had reached on this topic, specifically in relation to the marginal cost being linked to compressor usage as a proxy. MM said the compressor usage was driven by the present imbalances and BR said he saw no reason for this present process to change. A lengthy general discussion then ensued on this subject and Terry Burke (TB) and Angus Paxton (AP) both concurred with BR's views on this matter and also requested that analysis should be undertaken to give some clarity and proof on cash outs over a period of time in relation to imbalances.

Cara Finn (CF) explained that the North/South divide compressor usage was originally relevant as there used to be lots of imbalances resolved by compressor usage, however the compressor despatch had now changed and so had the relevance of the proxy, hence the proposal was to change the formula.

CF added that due to levels increasing on the system, both regarding 'in day' and 'end of day' this impacted National Grid from an overall trading perspective, by having to enter the markets more regularly to take residual balancing actions more often, which clearly was not ideal from both National Grids and the Shippers perspective, due to having to re-adjust the balancing.

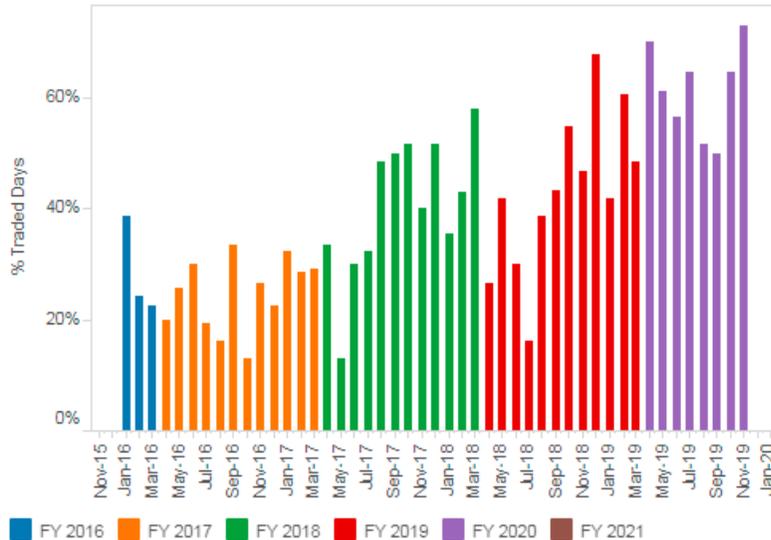
Julie Cox (JCx) asked if this review had been identified in the RIIO-T2 business plan and identified a link with National Grid's T2 SO incentive proposals where they were looking to widen targets, and that it would be difficult to comment on these proposals if the 'sand was shifting' in this area of the balancing regime. MM confirmed that end of day imbalance was what really mattered and was the major focus. A further lengthy general discussion took place regarding imbalances, inaccurate forecasting, linepack activity and the overall potential cost implications. The Workgroup consensus was that more information and analysis was required, specifically in relation to the compressor usage in relation to determining the costs associated with imbalances.

Richard Fairholme (RF) queried the link to GMAP which was proposing a more fundamental review of the balancing regime. MM said that he believed this to be a short-term refinement to address current issues, that National Grid were seeing, with the underlying principles being unchanged. RF said he thought that the question of shipper incentives to balance was fundamental and there could be considerable overlap. CF agreed to investigate this area further and provide feedback at the next meeting.

**New Action 1202:** National Grid (CF) to provide more information regarding the compressor analysis, to include the commercial drivers for managing marginal costs and details on interventions, for clarity.

MM then continued to overview the presentation and explained the Trading Frequency table below:

Trading Frequency



MM then said that National Grid believed it was appropriate to raise a Modification to amend the default SMP formula and that the main considerations were:

- How should the formula evolve to reflect the operation of the network in 2019 and be adaptive to future needs.
- Opportunity to address concerns raised by shippers regarding National Grid’s increased trading frequency.
- What is a proportional incentive on Shippers to balance their portfolios and how does that relate to other EU markets?

MM said that he felt the next steps were to raise the Modification for submission at the December or January Panel and that further engagement with the industry would be undertaken to understand the various range of views, together with establishing a greater understanding of the arrangements in the other EU countries. He added the target dated of 01 October 2020 was hoped for with regards to implementation.

**1.3.3. Amendments to TPD v3.1.7 Independent Assessment Table (Wales & West Utilities – RP)**

AR explained that this pre-modification had been discussed at the Distribution Workgroup and that both he and Richard Pomroy (RP) thought it was sensible to make the Transmission Workgroup participants aware of it.

RP then explained this Modification was seeking to make changes to a UNC mapping table to reflect changes to the way Graydon determines credit ratings. Graydon have changed their methodology for producing credit ratings and have introduced a new table of ratings. These ratings are alpha ratings as opposed to the previous alpha numeric ratings. This means that Code needs to be amended to replace the old ratings with the new ratings. RP said that minor changes to the wording on Dun and Bradstreet scoring for the lower ratings was also being proposed to improve clarity. He said this would impact the small number of Shippers that use Graydon for independent assessment. He added that if this change was not made the option of using Graydon for independent assessment would not be available and would limit options for these Shippers to the 2 remaining agencies.

RP provided an overview of the proposed changes as per the table below:

Amend text in TPD v 3.1.7 as shown below

Independent Assessment Score	Equivalent of the Independent Assessment Score to credit scores provided by the independent credit rating agencies for Independent Assessments			% of Transporter's Maximum Unsecured Credit Limit
	Dunn & Bradstreet/ N2 Check Comprehensive Report	Experian Bronze, Silver or Gold Report	Graydons Level 1, Level 2 or Level 3 Report	
10	5A1	95-100	4A <del>AAA</del>	20
9	5A2/4A1	90-94	4B/2A <del>AA</del>	19
8	5A3/4A2/3A1	80-89	4C/2B/3A <del>A</del>	18
7	4A3/3A2/2A1	70-79	3C/3B/4A <del>BBB</del>	17
6	3A3/2A2/1A1	60-69	3C/4B/5A <del>BB</del>	16
5	2A3/1A2/A1	50-59	4C/5B/6A <del>B</del>	15
4	1A3/A2/B1	40-49	5C/6B/7A <del>CCC</del>	13 <sup>1/3</sup>
3	A3/B2/C1	30-39	6C/7B/8A <del>CC</del>	10
2	B3/C2/D1	20-29	8 <del>BC</del>	6 <sup>2/3</sup>
1	C3/D2/E1	10-19	8C <del>Not in use</del>	3 <sup>1/3</sup>
0	Below <del>E1</del> <del>E2 to Z inclusive</del>	Below 10	Below <del>8C</del> <del>D to Z inclusive</del>	0

RP then confirmed that this Modification would be formally submitted to the December Panel.

**1.3.4. Amendment of Network Entry Provisions at Perenco Bacton Terminal (Neptune Energy – TB)**

Tracy Brogan (TB) introduced herself and explained that this Modification would be sponsored by Centrica on behalf of Neptune Energy.

TB explained the Cygnus Gas Field was a new development in the Southern North Sea which was unlocking investment in an underdeveloped area of the UKCS and was two years into a 20+ year life. She said that the Cygnus Alpha and Bravo produced gas through the EST pipeline to the Perenco Bacton terminal and that the Cygnus gas was 1% below the GS(M)R Wobbe Index specification but was within the emergency limit. TB said that the existing gas quality requirements have already had significant impact on gas supply to the UK network from the Cygnus field and this was only set to increase in 2020.

TC further explained that the gas from the ETS pipeline presently arrives at the Perenco terminal with a Wobbe Index (WI) of 45.5 to 46.7 MJ/m<sup>3</sup>. She said the existing infrastructure enables fortuitous blending with fields flowing into the Perenco terminal and access to blend gas from the SEAL pipeline only from neighbouring terminals, with the existing Network Entry Provision with National Grid requires the gas leaving the Perenco terminal to be over 47.2 MJ/m<sup>3</sup>.

TB then reiterated the proposal was for the amendment to the Network Entry Provision between Perenco and National Grid is being sought to reduce the Wobbe Index lower limit from 47.2 to 46.5 MJ/m<sup>3</sup>. TB said the alternative options were to access to further SEAL blended gas volumes is already in progress with an extended planned shutdown of 39 days of the GAEL system in the Summer of 2020 in June and SEAL source diversity reduction thereafter limits benefit. TB also said that significant infrastructure new Modifications to enable upstream blending with other gas sources would take more than two years in duration to enact.

TB said that an exemption from the HSC would need to be gained by National Grid in order to allow the potential gas down to the existing GS(M)R emergency limit of 46.5 MJ/m<sup>3</sup> to leave the National Grid terminal.

Phil Hobbins (PH) said that this aspect was being investigated by National Grid and that the issue was the flow rates, as the flow rates could not be guaranteed for that gas. BR also said he would have concerns about the Wobbe Index and Ritchard Hewitt (RH) concurred with this comment and he added that National Grid still needed to meet their gas quality parameters, and he said if the Modification was implemented where would the gas quality parameters actually be set? TB said the GS(M)R would set the parameters, which may require higher specifications to be set. PH concurred with this statement and added that the Bacton configuration may need to change the route of the gas elsewhere, which may require a slightly less relaxed specification for all every day and a different entry specification, with a conditional limit. Julie Cox (JCx) suggested perhaps a better solution would be to relax the Perenco specification and sort out GS(M)R compliance within the terminal, which would negate the need for an HSE exemption. PH reiterated that National Grid were considering this in the context of a blending service, but that this could not been offered at the present time due to uncertainties with flow and quality from other incomers. Richard Fairholme (RF) said he was concerned that this would see an increase in further requests to deviate from GS(M)R, eg LNG exemptions at the top end of Wobbe, citing the spate of oxygen increase Modifications in recent years.

PH said that analysis was presently being undertaken on the gas exiting the terminal and how this was travelling into the Network in relation to whether it could be above the GS(M)R safety level, and that this needed to be evaluated with regards to the HSC exemption.

A lengthy general discussion took place and BR, Andrew Blair (AB), JCx and RH all had concerns regarding the Wobbe Index and the type of analysis that was being undertaken. TB said that laboratory analysis had already been carried out and the results had satisfied the safety aspect of the gas at the lower level. Nick King (NK) said from the timeline and the interaction with the HSC he proposed this was extremely tight and said that from his experience of working with the HSC in the past, the timelines had always overrun, and he thought 3 months was insufficient time, even if the Modification was to run in parallel with the HSC agreement.

JCx also said that an Impact Assessment would need to be carried out as soon as possible, and she said she was not aware that IGEM had seen this proposal or discussed it yet. PH said that the Impact Assessment would be carried out by the HSC and that he was not aware if Ofgem would also have to undertake an Impact Assessment as well. TB said she would contact Ofgem to discuss this matter with them.

**New Action 1203:** Neptune Energy/Centrica (TB) to contact Ofgem to ascertain if there was a requirement for them to undertake an Impact Assessment.

TB said she would raise the Modification for submission at the December Panel.

**New Action 1204:** Neptune Energy/Centrica (TB) to submit the Modification to the December Panel.

## 2. European Code Update – PH

PH provided an overview of the European Code Updates as detailed below:

### EU Gas Quality Update

PH said the CEN working group were developing Wobbe Index (WI) proposals to be included into the EU standard EN 16726:2015 is consulting stakeholders on that working group and national standardisation bodies on initial proposals:

- De-coupling of entry and exit WI ranges
- EU wide WI entry range of 46.44 MJ/m<sup>3</sup>– 54.00 MJ/m<sup>3</sup>
- Transmission and distribution exit points would be classified according to the WI that network operators expected them receive:
  - ‘Specified’ class: within a range of 3.7 MJ/m<sup>3</sup>
  - ‘Extended’ class: expected range beyond 3.7 MJ/m<sup>3</sup>

He said the proposals were issued to BSI for comment ahead of a public consultation

BSI asked National Grid and other GB stakeholders to contribute views

PH summarised National Grids Response to BSI

### Entry Range

National Grid could not apply the proposed entry range because it exceeds the allowable GB specification under GS(M)R and as such a range was included in the standard, it is assumed that adoption would be voluntary

### Exit Classification

A possible concept to resolve the competing drivers between entry and exit

There are issues to address before it could be implemented:

- Demonstration that this network operator solution is the economic option over investment at site level
- Cost recovery & potential cross subsidy
- Feasibility, given the diversified, flexible supply and demand patterns on the NTS
- Variability of WI of gases delivered at entry points
- Management of changes over time

PH said that Equinor raised an issue on the Functionality Platform:

EU capacity booking platforms (such as PRISMA, GazSystem, RBP) as well as some TSOs use different interfaces and data exchange solutions for CAM/CMP capacity processes

Current EU Code obligation is for ‘interactive’ data exchange (i.e. a web portal) for these processes

Equinor recommend changing to a ‘document-based’ solution using Edigas-XML format

PH explained that ENTSOG and ACER were preparing a public consultation on this issue which they expected would be issued in December 2019. PH said that National Grid would notify the industry via the Joint Office once this had been published.

### 3. Updates

#### 3.1. Licence Modification implementation – new points (NL)

Nicola Lond (NL) explained that following the post CLoCC simplified process for adding new points to the Licence, National Grid had now made a proposal to Ofgem to update their Licence to change the process for adding new points. The purpose was to simplify and make quicker, the process of adding new points which have no associated capacity baseline obligations.

She added that following the statutory consultation, Ofgem had now published their decision for implementation with effect from 10 December 2019.

NL overviewed the salient points of the proposed Licences changes below:

For Zero Licence Baseline Capacity Entry/Exit Points

- National Grid to add to new table
- National Grid to inform industry

For Relevant Points consultation under EU regulations with Zero Baseline Capacity Points

- National Grid to carry out consultation with industry
- Ofgem makes decision

She said if anyone had any questions to make contact via:

[Box.UKT.customerlifecycle@nationalgrid.com](mailto:Box.UKT.customerlifecycle@nationalgrid.com)

<https://www.nationalgridgas.com/connections>

[Nicola.j.lond@nationalgrid.com](mailto:Nicola.j.lond@nationalgrid.com)

#### 3.2. Connection Charging Statement review – (NL)

NL explained that National Grid had reviewed the Statement for Gas Transmission Connection Charges. The purpose was to carry out an annual review with a consultation and as a result of this a revised statement had been produced and the changes are as detailed below:

##### PARCA

- New Simple Admin fee added to allow for unsold capacity at existing sites. Currently the applications have to pay the lowest PARCA fee of £53k
- No other changes to PARCA fees proposed

Capacity Indicator/Fee Type	Timescales to provide the PARCA and Phase 1 PARCA Works Report	PARCA Application Fee
Simple – Admin Fee - Applicable to a Green Capacity Indicator where only unsold capacity is required at an existing site	Up to 4 months	£2,000

### Connection

- increase to Standard Design fixed fee in line with latest handbook rates (+£300)
- No other changes to connection fees are proposed

Category	Timescales to provide a Full Connection Offer	Type of Connection		+Ramp Rate Study Application Fee
		Exit	Entry & Storage	
Standard Design (Fixed fee)	Up to 3 months	£13,300	£13,300 #	

### Other changes

- Diagram added for clarification of applicable fees.
- Clarification around Modifications added
- Will take the opportunity to refresh document onto latest NG template when published.

NL then described the proposed implementation timetable:

Issue Informal Consultation Document	4 <sup>th</sup> November 2019
Informal Consultation Period	1 month
Informal Consultation Closed	4 <sup>th</sup> December 2019
Response Review Period	up to 2 weeks
Notice of Change Issued	17 <sup>th</sup> December
Notice Period	1 month
Updated Charging Statement effective from	17 <sup>th</sup> January 2020

## 4. Workgroups

### 4.1. 0662 - Revenue Recovery at Combined ASEPs

(Report to Pane I16 January 2020) (awaiting an outcome on Modification 0678 from Ofgem – Modification deferred) **AR confirmed an extension for a further 6 months would be requested at the December 2019 Panel**

[www.gasgovernance.co.uk/0662](http://www.gasgovernance.co.uk/0662)

### 4.2. 0705R – NTS Capacity Access Review 0671 – New Capacity Exchange process at

(Report to Panel 15 October 2020)

[www.gasgovernance.co.uk/0705](http://www.gasgovernance.co.uk/0705)

## 5. Any Other Business

None.

**6. Review of Outstanding Actions**

None.

**7. Diary Planning**

*Further details of planned meetings are available at:*

<https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10.00, Thursday 09 January 2020	Elexon 350 Euston Road London NW1 3AW	Transmission Workgroup standard Agenda plus any associated Modifications

**Action Table (as at 05 December 2019)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>1201</b>	05/12/19	1.3.1	National Grid (PH) to present the findings of the NTS penetration analysis at the January meeting.	National Grid (PH)	<b>Pending</b>
<b>1202</b>	05/12/19	1.3.2	National Grid (CF) to provide more information regarding the compressor analysis, to include the commercial drivers for managing marginal costs and details on interventions, for clarity.	National Grid (CF)	<b>Pending</b>
<b>1203</b>	05/12/19	1.3.4	Neptune Energy/Centrica (TB) to contact Ofgem to ascertain if there was a requirement for them to undertake an Impact Assessment.	Neptune Energy/Centrica (TB)	<b>Pending</b>
<b>1204</b>	05/12/19	1.3.4	Neptune Energy/Centrica (TB) to submit the Modification to the December Panel.	Neptune Energy/Centrica (TB)	<b>Pending</b>