

UNC Workgroup 0510 Minutes
Reform of Gas Allocation Regime at GB Interconnection Points
Monday 26 January 2015
31 Homer Road, Solihull B91 3LT

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
David McCrone*	(DM)	Ofgem
Debra Hawkin	(DH)	TPA Consultants
Graham Jack	(GJ)	Centrica
Nigel Sisman	(NS)	sisman energy consultancy Ltd
Phil Hobbins	(PH)	National Grid NTS
Richard Fairholme*	(RF)	E.ON

* via teleconference

Copies of all papers are available at <http://www.gasgovernance.co.uk/0510/260115>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 March 2015.

1.0 Introduction and Status Review**1.1 Minutes**

Minutes of the last meeting were approved.

1.2 Actions

1201: Proposed Consultation processes - Provide a timetable clarifying expectations, and consider if details should also be included in Modification 0510.

Update: PH confirmed his intention to raise a new modification in time for the February 2015 Panel relating to interconnector agreements, which would address actions 1201 and 1202. For further background on the intent of this new proposal please refer to www.gasgovernance.co.uk/european/080115. **Closed.**

1202: Interconnector Agreements - Develop clear and appropriate governance arrangements for consideration.

Update: See 1201 update. **Closed.**

2.0 Development of Workgroup Report**2.1 Amended Modification**

LJ highlighted that the modification was amended on 19 January 2015. PH summarised the changes made.

It was proposed that where the Transmission System Operator (TSO) indicates that the cumulative steering tolerance is likely to be breached, and hence the Operational Balancing Account (OBA) cannot be used, on a given day, Users will be allocated in proportion to their confirmed nomination quantities. He also clarified that the steering difference would be zero for that day. NS enquired about the background, who the regime is protecting and what the modification was trying to do. PH explained that the aim is to protect the TSOs and shippers. NS asked what protection parties would be getting. PH explained that there is a contractual

obligation to ensure once there is a breach in tolerance action will need to be taken. If, in extreme circumstances, the adjacent TSO persistently under- or over-delivers it gives some protection to the GB system.

PH explained that there were previous discussions at this Workgroup with regards to the scheduling charge to the effect that, on days where the tolerance would be breached and shippers could do nothing to manage the situation, why should parties be penalised. PH confirmed that this had been considered and the proposal has been amended to reflect there will be no scheduling charges levied if deemed a non-OBA day.

GJ enquired what parties would be dealing with Moffatt, in terms of the adjacent TSO. PH confirmed that this is still being worked out, however there will be a National Grid bundle of capacity, and BGE. PH expected that there would be two Exit points for capacity and nominations. PH clarified that this was deemed to be a Moffatt-only issue, and this will be addressed in the new modification.

The Workgroup considered the Workgroup Report, in particular the relevant objectives and legal text.

2.2 Consideration of Legal Text

The Workgroup considered the provided text. The following suggestions were noted for National Grid to re-consider.

EID Section A:

The Workgroup considered the reference to commodity charges and that Users will be liable for commodity charges when there is a reverse flow. Noting that there was a replacement 1.3.3 (f) shown further down the document, it was agreed that Section 1.3.3. (f) highlighted in blue text should not be shown at all.

PH agreed to review why in Section 5.1 the letter C was struck out and replaced with D.

EID Section D:

The Workgroup considered the use of the term IS (Interconnected System) in section 1.2.2. and whether it ought to simply state Users' Interconnected System Nominations opposed to IS Users' Interconnected System Nominations.

The Workgroup also considered Section 3.2.2, (a) and (b) it was clarified the ultimate aim is that the net sum of all counterparty quantities need to match. It was queried if each individual quantity also needed to match. It was deemed that everything needs to balance on non-OBA days and for each user the total sum of quantities need to match. The Workgroup considered the preceding statements in 3.2.1 (a) and (b) and whether it implies that the TSO overrides any mismatch. It was believed that the TSO should consider and agree the scaling and this wasn't clear within the text. PH agreed to re-view Section 3.2. to ensure it is clear what will be allocated on a non-OBA day and the TSOs settling on the right numbers.

Action 0101: National Grid NTS to consider changes to the legal text and provide an updated legal text commentary to clarify the concerns raised.

It was also agreed that National Grid would review the Solution to ensure it describes all of the changes included in the Text and, in particular, the concept of forward revisions outlined in EID D Section 4. LJ noted that any such changes to the Solution would necessitate the submission of an amended modification document.

3.0 Next Steps

The Workgroup agreed to consider the additional changes to the legal text and any required modification amendments and to finalise the Workgroup Report for March Panel.

4.0 Any Other Business

None.

5.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
09:30 Monday 16 February 2015	Teleconference	<ul style="list-style-type: none"> Review amended modification Review Legal Text Changes Completion of Workgroup Report

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1201	02/12/14	1.2	<i>Proposed Consultation processes</i> - Provide a timetable clarifying expectations, and consider if details should also be included in Modification 0510.	National Grid NTS (MC/PH)	Closed
1202	02/12/14	1.2	<i>Interconnector Agreements</i> - Develop clear and appropriate governance arrangements for consideration.	National Grid NTS (MC/PH)	Closed
0101	27/01/15	2.2	National Grid NTS to consider changes to the legal text and provide an updated legal text commentary to clarify the concerns raised	National Grid NTS (PH)	Pending