

## Uniform Network Code Committee

### Minutes of the 63<sup>rd</sup> Meeting Held on Thursday 17 June 2010

#### **Members Present:**

**Transporter Representatives:** R Hewitt (National Grid NTS), C Warner (National Grid Distribution), B Dohel (Scotia Gas Networks), J Ferguson (Northern Gas Networks) and S Trivella (Wales & West Utilities)

**User Representatives:** C Wright (British Gas Trading), S Rouse (Statoil) and S Leedham (EDF Energy)

**Ofgem Representative:** J Dixon

**Joint Office:** T Davis (Chair) and B Fletcher (Secretary)

**Observers Present:** C Cameron (Ofgem), C Shanley (National Grid NTS), Gareth Evans (Waters Wye), R Fairholme (E.ON UK) and R Street (Corona Energy)

#### **63.1 Note of any alternates attending meeting**

S Leedham for P Broom (GDF Suez), S Rouse for A Bal (Shell) and B Dohel for A Gibson (Scotia Gas Networks)

#### **63.2 Record of Invitees to the meeting**

None

#### **63.3 Record of apologies for absence**

A Bal, P Broom and A Gibson

#### **63.4 Monthly Reports from Sub-Committees**

#### **63.5 Matters of Implementation**

##### **Modification Proposal 0229 - Mechanism for correct apportionment of unidentified gas**

T Davis introduced the guidelines supporting Proposal 0229 and the three options for change that had been submitted by Gazprom. C Warner gave a presentation covering the implementation timeline, advising the Terms of Reference for the AUGER require further development and asking whether these should be developed by a sub-committee or within the UNCC.

C Warner offered to take an action to develop the Terms of Reference and then circulate this to UNCC members. R Street was happy with this as a way forward, though emphasising time should be allowed for comment and amendment, if necessary, before ratification by the UNCC.

S Leedham questioned why there is a need to develop the Terms of Reference so quickly. C Warner said this was needed to meet the 01 October invitation to tender detailed in the timeline. S Leedham felt it would be desirable if the Terms of Reference were consulted upon as part of the

process, bearing in mind this was the first time they had been used and, as such, was when they needed to be carefully considered.

C Warner suggested the three options offered for amending the guidelines related to section 8 and how potential forward charges could be calculated or not. On behalf of the Proposer, Gazprom, G Evans explained the difference between the options:

**Option A**

This option places an obligation on Transporters to provide volume and rates for the gas allocated by the AUGE.

B Dohel advised the guidelines still reference charges and this should be amended. S Trivella asked how a rate is developed for volume in this option and, if it can be done, why Users cannot do it themselves.

**Option B**

This option places an obligation on Transporters to provide the volume allocated by the AUGE.

**Option C**

This option places an obligation on the AUGE to provide volume and rates for the gas they allocate.

C Warner suggested Option C may impact the contract cost. R Street was comfortable these costs would not be significant and would be borne by Users such that Transporters should not be concerned.

R Hall was concerned that any estimates of costs are realistic and meaningful. R Street felt that a central party tasked with calculating charges was desirable as it will be publicly available. Customers could confirm charges passed through to them, by Users, are those identified by the AUGE, and this can then be referenced in customer contracts.

J Ferguson asked if a customer looks at the charges, how does the customer calculate their element of the total cost? G Evans advised the customer will see a p/kWh rate and can then multiply this by their own kWh figure.

S Trivella was concerned the scope of the AUGE is being extended, which is outside the remit of the original Proposal.

J Dixon confirmed that Ofgem hold no preference or concern about the timeline.

**Action UNCC001** – C Warner to develop AUGE terms of reference which sets the criteria for issuing an invitation to tender for potential AUGEs

**Action UNCC002** – Joint Office to arrange a Workstream meeting following UNC0282 on 29 July 2010.

The UNCC then considered which Option they preferred for implementation:

Option A – withdrawn by proposer

Option B – withdrawn by proposer

Option C – was preferred by MAJORITY VOTE by the following UNCC members: S Rouse and proxy vote for A Bal (Shell), S Leedham proxy vote for P Broom (GDF Suez), B Dohel, C Warner, R Hewitt

Option C was therefore approved for immediate implementation and Version 2 of the guidelines will be published on the Joint Office website.

**63.6 Any Other Business**

Non Raised

**63.7 Next Meeting**

The Committee noted the date and time of the next meetings as Thursday 15 July 2010, immediately after the Modification Panel meeting.

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
UNCC001	17/06/10	63.6	Develop AUGE terms of reference which sets the criteria for issuing an invitation to tender for potential AUGE's	National Grid Distribution (CWa)	Pending
UNCC002	17/06/10	63.6	Arrange a Workstream meeting following UNC0282 on 29 July 2010.	Joint Office (BF)	Pending