

UNC Workgroup 0842 Minutes
Gas Entry onto the Total system via an Independent Gas
Transporter
Friday 28 July 2023
via Microsoft Teams

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Ben Mulcahy (Secretary)	(BM)	Joint Office
Andy Clasper	(AC)	Cadent
Andy Eisenberg	(AE)	Eon Next
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DMi)	SGN
Fiona Cottam	(FC)	CDSP (Xoserve)
James Lomax	(JL)	Cornwall Insight
Joel Martin	(JM)	SGN
Kevin Clark	(KC)	Utilita
Lauren Jauss	(LJ)	RWe
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE Energy Supply
Matt Marshall	(MM)	Cadent
Nick King	(NK)	CNG Services
Oorlagh Chapman	(OC)	Centrica
Paul O'Toole	(PO)	Northern Gas Networks
Phil Lucas	(PL)	National Gas Transmission
Slama Akhtar	(SA)	Northern Gas Networks
Steve Mulinganie	(SM)	SEFE Energy
Tom Stuart	(TS)	Wales & West Utilities

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0842/280723>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 September 2023

1. Introduction and Status Review

Bob Fletcher (BF) welcomed parties to the meeting.

1.1 Approval of Minutes (28 June 2023)

The minutes from the previous meeting were approved.

1.2 Approval of Late Papers

No late papers had been received.

1.3 Review of Outstanding Actions

0501: Proposer (DM/JM) to consider adding a flow diagram to illustrate the flow of responsibility for each party and UNC obligations.

Update: David Mitchell (DM) confirmed an amended Modification had been provided with some diagrams to review later in the meeting.

Action Closed

0601: Proposer (DM/JM) to update/amend Modification and provide Legal Text for next Workgroup Meeting (28 July 2023) to finalise Workgroup Report for August Panel (17 August 2023)

Update: DM advised that were several changes made which he wanted to discuss first before taking them to the lawyer

Action Pending

0602: Xoserve (ER) to check ROM requirement and/or to provide CDSP Statement for discussion.

Update: The Joint Office received a response from the CDSP(ER) on this action, but the CDSP representative was not available for this meeting.

Action Pending

2. Review of Amended Modifications

DM talked through the amendments made to the Modification, advising that most changes had been made to Business Rules in Section 5 detailing the Solution, but started on Section 3 Why Change explaining that changes were made to reflect the amended Business Rules and to align with Government subsidy schemes.

Section 5

Business Rule (BR) amendments

BR 1 DM read the amended BR to which Joel Martin (JM) added for a point of clarity that IGT systems/networks exist currently outside of the Total System as defined in Code, so there was a conundrum in that gas is physically flowing in the IGT system to go into the Total System. As such the commencement of the Total System was at the LDZ Exit Point which is on the DNOs system and also where the gas enters the system, so gas appears to be in both networks. He stated that this was a background concept which is probably known by all, but he wanted to highlight that it is reflected in the BRs here.

Steve Mulinganie (SM) asked if the gas flow was physically simultaneous or if this was from a Code perspective.

JM replied that in the real-world entry is physically located is the distance between a meter and pipe, but for Code, it physically enters the IGT system and is recognised as entering the System simultaneously.

SM deduced that it was therefore deemed to simultaneously flow for Code purposes but is not a physical state, which JM confirmed was the case.

SM then asked if this meant that BR 1 needed to be amended to say 'deemed to simultaneously flow' for purposes of the Code.

DM acknowledged this and committed to amend the Modification accordingly, he then read BR2 to the Workgroup.

JM advised the Workgroup that the existing Code definition is the LDZ entry point, with the Modification creating a new term IGT LDZ SEP which uses the same rationale, the IGT entry point is the physical point of entry.

SM asked that this new term will be defined in the same way as an LDZ SEP.

JM confirmed this, noting that this could be clarified in the text to confirm they are the same entities.

DM read through BR3, noting that without that agreement the gas cannot flow, and the connection point cannot exist.

JM agreed, stating a Network Entry Agreement (NEA) was a requisite for onward conveyance onto the network, and was a tripartite agreement between DNO, IGT and gas producer (DFO in Code) so that all Parties have a joint interest in gas quality, measurement, safety requirements and the like.

SM asked if this meant All LDZ SEPs have an NEA.

JM advised that there was a carve-out for some, e.g. the Scottish Independent Undertakings, but otherwise, there is a requirement for a NEA.

SM asked for clarification to which JM replied that other than the carve-out that he believed existed, all LDZ entry points had a requirement for a NEA.

DM read the Workgroup through BR 4, to which there were no questions, and subsequently read through BR5. JM expounded on this rule, using as an example TPD Section I referring to the requirement for Network Entry and measurements provisions at the Entry Point, stating that this BR was clarifying that those requirements refer to a physical point of entry on the IGT system, i.e., the IGT SEP.

DM read through BR6 which JM also clarified, imagining Participants being confused by earlier commentary about NEAs being mandatory whereas BR6 seems to be inferring they are not required. He explained that NEAs are about the physical point of entry, the IGT EP, adding that as long as that agreement is in place, as per Code, effectively at the interface between the IGT and DNO, in Code the LDZ SEP or IGT SEP, there will not be the requirement for another NEA, as one is already in place at the physical point of entry.

SM suggested a 'for an avoidance of doubt' statement to that effect would be helpful.

JM agreed such a statement would be useful.

DM read through BR7.

JM explained that the arrangements that exist at an IGT CSEP exit point are such that when the gas leaves the DNO Network, title and risk transfer to Shippers and then simultaneously transfer to the IGT, and then later, at the Exit Point, transfer back to the Shipper. Thus, the rule was just mirroring the arrangements for an Exit. Title and risk go to Shippers and then back to the DNOs as it goes into the DNO network.

SM commented that where the title starts going to Shippers, they need to be comfortable with the consequences, asking if there is a scenario where Shippers could potentially not have something in place for the risks involved, adding that if it replicates current rules then this should not be the case.

JM replied that he thought it links back to the Gas Act.

SM suggested that perhaps a bit of an explanation that this is in accordance with the current arrangements under the Gas Act just to avoid concerns being raised by Shipper lawyers, adding that some narrative would be really helpful.

Nick King (NK) asked if any Workgroup Participants were around when Modification 440 *Project Nexus – iGT Single Service Provision* was being progressed, as the text JM was referring to is in there. He added that there was considerable information on the Joint Office website about the issues covered at the time with a lot of Gas Act focus for Shipper licence

holders. He added that the text was in IGTAD and there was a lot of content that he had found but was still looking for a legal report.

BF recalled the discussions being held around 2015 or earlier.

SM commented that the summary just given was good and suggested including that and pointing to the web pages NK referenced, stating that this was about easing the Modification though when it hits the lawyers and providing whatever is possible to make the cross-checking as simple as possible.

JM stated that in his mind the BR replicates existing arrangements but a succinct legal explanation and a practical commentary as to what the Modification would mean for Shippers would be useful.

DM read BR8 and asked if the word 'Deemed' should be added to the text. JM replied that it was not really a geographic thing and more about title and risk happening simultaneously. NK added that he thought the lawyers preferred the way the text was worded presently.

DM read through BR9 and JM added that there are Shippers that are registered at Entry Point that deliver gas to the Total System, As such there is a requirement on LDZ Entry Points for DNOs to pass volume Calorific Value (CV) data through to National Gas and also to CDSP for flow weight purposes. Accordingly, the IGT will be required to provide the DNO with those data items to allow them to be subsequently passed through to National Gas.

DM read BR10 and JM commented that this was the same as was currently the case for an LDZ Entry Point where Shippers are registered at that Entry Point and the energy that flows there is part of the Shippers UDQI.

The Workgroup then reviewed the clarification points provided beneath the BRs in the Modification.

In reviewing Point 5 JM commented that the entry arrangements for this are about entry into the total system. Adding that the LDZ will have laid a pipeline and may wish to connect customers to it, meaning that entry and exit arrangements operate independently from each other.

Phil Lucas (PL) stated that he wondered if there was any view as to the risk of CV capping into the total system.

JM replied that the risk was no more so than exists already with any other LDZ entry point. Obligations would exist to ensure that the CV level was maintained.

The Workgroup then reviewed the amended text under Cross Code Impacts, where JM advised that following a detailed discussion with the lawyer, they had identified a requirement in the IGT UNC that effectively would introduce arrangements for title and risk at the physical point where gas enters into the IGT pipeline and where title and risk transfers to the IGT. He stated that this was the bit missing from the IGT UNC and noted that they had a kind offer from NK to look at raising a mirrored IGT UNC Modification to insert the required changes.

NK confirmed it was something he was aware of and that he had volunteered to do. He added that he was still working on the detail as to how it would progress.

BF asked if this was something that would need a joint Workgroup.

JM shared that he thought it could progress separately, as it has a very narrow requirement that title and risk can transfer to title and risk on the Network, adding it was not as complex or involved as this Modification is and was a fairly straightforward change to the IGT UNC.

NK added that it would certainly dovetail and that having this Modification and the IGTAD would make a good model.

SM asked if the two Modifications needed to be implemented at the same time and if there was a dependency.

JM confirmed that he thought there was a dependency, with both ends of the equation needing to be in place for the arrangements to work. He continued that he felt that implementation of this Modification if it is accepted, would be contingent on the IGT UNC Modification being approved to allow the implementation.

BF advised that Implementation can be coordinated, adding that the IGT UNC Modification would still need to be delivered.

3. Review of Legal Text

Legal Text is to be provided in the next meeting.

4. Development of Workgroup Report

BF advised that the Workgroup was awaiting the Legal Text and the agreed changes to the Modification, which are not large in nature, so should be available for the next meeting. This would then enable the development of the Workgroup Report

5. Next Steps

BF confirmed the next steps are to conclude the Workgroup Report and potentially an update on the IGT UNC Modification's progress.

6. Any Other Business

No other business was raised.

7. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 24 August 2023	5pm 16 August 2023	Microsoft Teams	<ul style="list-style-type: none"> Review Amended Modification Review Legal Text Finalise Workgroup Report

0842 Workgroup Action Table

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0501	23/05/23	2.0	Proposer (DM/JM) to consider adding a flow diagram to illustrate the flow of responsibility for each party and UNC obligations.	July 2023	Proposer (DM/JM)	Closed
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