

**UNC Workgroup 0608S Minutes
Implementation of ‘single service provision’ arrangements for iGT
connected system exit points (Project Nexus transitional
modification)**

Friday 03 February 2017

at Consort House, 6 Homer Road, Solihull. B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Amrik Singh*	(AS)	Good Energy
Andrew Margan	(AM)	British Gas
Andy Clasper	(AC)	National Grid Gas Distribution
Chris Warner	(CW)	National Grid Gas Distribution
Colette Baldwin	(CB)	E.ON Energy
David Addison	(DA)	Xoserve
David Tennant	(DT)	Dentons
Emma Smith	(ES)	Xoserve
Fraser Mathieson*	(FM)	Scotia Gas Networks
Helen Bennett	(HB)	Joint Office
John Welch	(JW)	npower
Kelly Docherty	(KD)	British Gas
Kishan Nundloll	(KN)	ES Pipelines
Mark Jones*	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Phil Lucas	(PL)	National Grid NTS
Shanna Key*	(SK)	Northern Gas Networks
Steve Mulinganie	(SM)	Gazprom
Sue Hilbourne*	(SH)	Scotia Gas Networks

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0608/030217>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 March 2017.

1.0 Outline of Modification

1.1. UNC Panel Presentation Modification Overview

AC provided a brief overview of the presentation provided at the 19 January 2017 UNC Panel meeting during which he apologised for the late submission of (draft) legal text ahead of today's meeting.¹

¹ A copy of the 19 January 2017 Panel minutes are available to view and/or download from the Joint Office web site at: <http://www.gasgovernance.co.uk/panel/190117>.

1.2. Draft Legal Text Review

Amendment to TAD for Modification 0608S

When PL enquired as to whether there are any implications from a National Grid NTS perspective, on the grounds that the legal text states 'each Transporter', DT agreed that this means that the agreement that National Grid Gas (NGG) plc is a signatory to will need amending which may not include National Grid NTS.

Transition Document Part IIF - amended 0528 Legal Text

Opening DT quickly explained the colour coding behind the proposed legal text changes and acknowledged that the (Independent **G**as **T**ransporters **A**rrangements **D**ocument (IGTAD) reference error would require amending in due course.

During a brief onscreen review of the proposed Modification 0608S legal text amendments, parties discussed various aspects with the most notable matters captured by exception, as follows:

- Paragraph 1.1.1 – IGTAD definition correction required;
- Paragraph 10 – focuses on transitional aspects;
- Paragraph 10.1.1 – established in accordance with IGTAD rules and to be in place for PNID;
- Paragraphs 10.1.3(a) & (b) – brief explanation behind IGTAD Section B2.2 and 2.4.1 provided by DT;
- Paragraph 10.2 – follows a similar vein to paragraph 10.1;
- Paragraphs 10.2.1 & 10.2.2 – relate to setting up the IGTAD as at Day 1;
- Paragraph 10.4.1 – enables the IGTAD Committee to meet one month prior to PNID.

A brief discussion then followed around the interpretation of 'the effective date' during which SM suggested that in this instance, it relates to members of the IGTAD Committee and its establishment, rather than a UNC modification effective date (i.e. 15 business days post a Panel decision) – it allows parties to be notified ahead of the effective date. DA felt that the Workgroup would still need to consider placing an obligation on a party ahead of the contract being in place at which point DT indicated that he would give this point some further consideration;

- Paragraph 10.5.1 – DT confirmed that UNC TPD Section A (overrun) aspects would be considered in more detail under Workgroup 0610S discussions;
- Paragraph 11 – DT explained that this paragraph reflects 0467 provisions, before clarifying that 'SPRD' refers to Supply Point Registered Data;
- Paragraph 11.2 – will also require some corresponding interim (minor) NEXA changes;
- Paragraph 11.3 – DT explained that the iGTs would also need to sign up for DSC ahead of PNID, and
- Paragraph 12.1.3 – allows information provided under CSEP (i.e. the correct set of rules applying to either side of PNID) to be treated accordingly and on the whole this paragraph relates to UNC modification 0440 aspects.

Concluding discussions on the (draft) legal text, DT agreed to undertake changes to the text inline with Workgroup discussions and provide an updated version of legal text ahead of the 13 February 2017 Workgroup meeting.

New Action 0101: Dentons (DT) and NGGDL (CW) to amend the legal text inline with Workgroup discussions, and thereafter provide an updated version ahead of the 13 February 2017 Workgroup meeting.

Discussion then focused on whether or not it would be feasible to complete the Workgroup Report at the next Workgroup meeting at which point DT suggested that there should be no issues in seeking Panel approval of the modification. However, CW suggested that better clarification of the timetable and the impact upon the potential implementation date(s) would be beneficial. DT confirmed that the dates CW is referring to reside mainly in paragraphs 11.1.1, 11.1.2, 11.3.1 and 11.3.2 etc. DT confirmed that he would consider whether or not the 01 May 2017 date is now superfluous.

BF went on to explain the possible timeline options suggesting that 16 May 2017, as defined in paragraph 11.1.1(b) would be a more realistic date to work towards. When asked how a change in the date could possibly impact on the GO / NO GO G3 and G4 decision points, DA responded by indicating that he does not envisage any potential impacts, although he is of the opinion that the 'step change' point where the industry moves to daily (delta) provisions needs to be carefully managed (i.e. at 16 May 2017, on the assumption that PNID remains 01 June 2017, then cutover to daily provisions would go ahead). It was agreed to continue development of the modification on the grounds that PNID remains as 01 June 2017.

Some parties remained concerned that the 'industry' would be switching over to daily delimiting only three (3) business days prior to the G4 decision point. Responding to these concerns, DA explained that whilst he does not have a specific answer as to why the 16 May 2017 was selected, he believes it is highly likely that this date is linked to other transitional planning elements – it is possible that the industry sees this as the last possible date to hit the 'go' button (i.e. the last reasonable decision point). CB was concerned that these arrangements do not mirror those originally planned for 01 October 2016 go live and were significantly shorter. DA advised that the transition plan and process was better informed and it was likely that the reduction in time was due to a better understanding of the process required. SM went on to advise that he would be looking to raise this matter as a risk at the next PNSG meeting. DA then suggested that fundamentally it boils down to whether the step change from monthly to daily (read) provisions goes wrong – Xoserve aspects would be tested through IDR 2 and 3 testing).

When it was pointed out that UNC Modification 0467 provisions envisaged a one month of daily delta running prior to the GO Live date, some parties suggested that this is not necessarily a Workgroup consideration at this time.

When DA suggested that the iGT transition aspects are an important consideration, KN confirmed that the iGTs recognise the importance of the timing requirements.

New Action 0102: Xoserve (DA) to clarify what rationale lies behind the selection of the 16 May 2017 date and whether bringing this date forwards impact delivery of this modification solution on the proposed timeline.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

When the Workgroup noted that Panel have asked the Workgroup to ensure that earlier concerns on termination of the CSEP Network Exit Agreements (NExA's) are addressed in the Workgroup Report, DT pointed out that a transition rule relating to this matter had already been incorporated within the modification which is then reflected within the (draft) legal text as provided.

When asked whether or not there are any specific iGT considerations that should be taken into account, KN responded by indicating that the iGTs are currently considering whether or not an equivalent iGT modification would be required in due course.

When asked whether or not the proposed April 2017 effective date represented a 'realistic target' date, AC explained that the aim is to seek a decision by the end of April, whilst DT pointed out that the actual effective date for legal text purposes is 01 June 2017 inline with the Project Nexus Implementation Date (PNID). However, he would like parties to note that there are no additional documents (over and above those already identified) that UNC Shippers would be expected to sign. There are some additional iGT Shipper documents that would need signatures going forward.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference has been published alongside the Modification at <http://www.gasgovernance.co.uk/0608>.

As there were no adverse comments from those in attendance, it was deemed that the Workgroup had approved the Terms of Reference.

3.0 Next Steps

BF confirmed that consideration of revised (draft) legal text and development of the Workgroup Report would be undertaken at the next Workgroup meeting.

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
10:30 Monday 13 February 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Specific PNID Modification Agenda items (0608S, 0609S & 0610S) • Consideration of Draft Workgroup Report
10:30 Monday 20 February 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Specific PNID Modification Agenda 0608S • Completion of Workgroup Report
10:30 Friday 10 March 2017	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Specific PNID Modification Agenda items 0608S • Completion of Workgroup Report

Action Table (as at 03 February 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0101	03/02/17	1.2	To amend the legal text inline with Workgroup discussions, and thereafter provide an updated version ahead of the 13 February 2017 Workgroup meeting.	Dentons (DT) & NGGDL (CW)	Pending
0102	03/02/17	1.2	Clarify what rationale lies behind the selection of the 16 May 2017 date and whether bringing this date forwards impact delivery of this modification solution on the proposed timeline	Xoserve (DA)	Pending