

UNC Workgroup 0636 Minutes
Updating the parameters for the NTS Optional Commodity Charge
Wednesday 22 November 2017
at Energy UK, Charles House, 5-11 Regent Street, London, SW1Y
4LR

Attendees		
Rebecca Hailes (Chair)	(BF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	National Grid NTS
Alex Healy	(AH)	Engie
Andrew Pearce	(AP)	BP
Anna Shrigley	(AS)	ENI
Charles Ruffell	(CR)	RWE Npower
Chris Hogg*	(CH)	NGN
Colin Hamilton	(CH)	National Grid NTS
Colin Williams	(CW)	National Grid NTS
Danishtah Parker*	(DP)	Cadent
David Mitchell	(DM)	SGN
Davide Rubini	(DR)	Shell
Debra Hawkin	(DH)	TPA Solutions
Gerry Hoggan	(GH)	Scottish Power
Graham Jack	(GJ)	Centrica
Henk Kreuze	(HK)	Vermillion
Jeff Chandler	(JCh)	SSE
Joanne Parker	(JP)	SGN
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova*	(KN)	ESB
Lee Bowerbank*	(LM)	ExxonMobil
Marcel Neef*	(MN)	BBL
Matt Hatch*	(MH)	National Grid NTS
Nahed Cherfa	(NC)	Statoil
Nick Wye	(NW)	Waters Wye Associates
Paul Orsler	(PO)	Xoserve
Paul Toole*	(PT)	NGN
Paul Youngman	(PY)	Drax Power
Pavanjit Dhesi	(PD)	Interconnector
Penny Garner	(PG)	Joint Office
Phil Lucas	(PL)	National Grid NTS
Richard Fairholme*	(RF)	Uniper
Richard Miller	(RM)	Ofgem
Robert Wigginton*	(RW)	Wales & West Utilities
Samuele Repetto*	(SR)	EDF Trading

Sean Hayward	(SH)	Ofgem
Sinead Obeng	(SO)	South Hook Gas
William Webster	(WW)	Oil & Gas UK
* via teleconference		

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0636/221117>

1.0 Welcome

RH welcomed all to the meeting highlighting that the agenda for the day required discussion and handed over to PG.

PG addressed the Workgroup by mentioning the concerns raised with the Joint Office that Modification 0636 had been added to the agenda. She first offered an opportunity for concerns to be aired as to why Modification 0636 is on the agenda for this meeting.

GJ said that it is the understanding that every 2nd meeting would concentrate on Modification 0621 only.

There is a concern that there is a lot of work and development required for Modification 0621.

PG explained that, to give adequate time to all parties, discussions with the proposer of Modification 0636 led to the decision being made that utilising this meeting was the best option.

When asked, it was confirmed that any alternates to Modification 0621 would be dealt with at the Modification 0621 Workgroup meetings.

A suggested way forward is put to the Workgroup that NTSCMF meetings could cover Modification 0636 plus anything else associated, and for Modification 0621 to move to its own Workgroup.

JCh said that having Modification 0636 covered within NTSCMF meeting dates was a reasonable suggestion, but requested that Modification 0621 is also reviewed on the NTSCMF dates.

In terms of Modification 0636, PG suggested that the Workgroup could ask UNC Panel for an extension, as there are further considerations for the Workgroup to determine and timescales could be very demanding, considering it is currently due to go to UNC Panel on 18 January 2018.

The Workgroup agreed that Modification 0621 should be discussed first on the agenda followed by Modification 0636.

Here is the suggested timetable for the upcoming meetings for NTSCMF; Modification 0621 and Modification 0636.

Date	Topic to be covered	Workgroup
06 December 2017 Elexon, London	NTSCMF and Modification 0621	NTSCMF and Workgroup 0621
07 December 2017 (1pm start time) Elexon, London	Modification 0636, to take place after completion of Transmission Workgroup	Workgroup 0636
14 December 2017 St Johns Hotel, Solihull	Modification 0621	Workgroup 0621
18 December 2017 Joint Office, Pure, Warwick	Modification 0636	Workgroup 0636
20 December 2017 Solihull venue TBC	Modification 0621	Workgroup 0621

03 January 2018 Elxon, London	NTSCMF and Modification 0621	NTSCMF and Workgroup 0621
04 January 2018 Elxon, London	Transmission Workgroup and Modification 0636	Workgroup 0636

The workgroup then followed the agenda for Modification 0621 and Modification 0636.

2.0 Progress update

DH talked the workgroup through an onscreen review of the amendments made to the modification, which covers section 3, 5 and 9.

JCx said that regarding the reference to GCD11, the document was never an agreed way forward at the time, and there were additional comments made about the document after it was published.

It was explained that Modification 0636 is saying that there is a Formula in Uniform Network Code and this Modification is proposing to make a change to the numbers within that formula. However, the GCD11 document that is being referred to is over 2 years old and shortly after it was published, many extra comments were submitted in relation to it. GJ wanted the information and explanation around that whole process referring to GCD11 to be put in the Modification.

DH disagreed that the information and explanation referring to GCD11 should be put in the Modification and suggested that the solution is clear as it is.

CW clarified that the actual values are commercially sensitive and therefore dummy values are represented in GCD11.

GJ said that the need to set out the explanations in the modification is so that it is clear, upfront and discussed in the workgroup report. A synopsis can be put into the Workgroup Report. Comparing Modification 0636 with Modification 0621, the methodology will be clearly defined in the 0621 Modification and GJ suggested the same approach be adopted for Modification 0636 with an explanation of how the proposed charges are derived and how they are set out.

GJ also added that there is no governance around the current methodology and that this needs to be articulated in the methodology. RH suggested that this is added to the Workgroup Report.

JCx gave an overview and some background as to how the current formula was derived.

DH advised that Modification 0636 is referring to an approved methodology, and suggested that Users can raise an alternate if they disagree with this one.

PO agreed that an explanation of how the new values within the solution are derived/obtained should be referred to in the Modification.

Section 3 Why Change

DH suggested to the Workgroup that the GCD11 discussion document and the report that supports it should be added as an appendix to the Modification.

NW, thinking about Modification 0621, and raising of alternates to Modification 0621, Modification 0636 refers to a discussion paper which is not a formal paper and thus not a very robust way of a modifying the UNC. GCD11 is only to a discussion paper which was never audited or adopted.

PG clarified the UNC Modification Panel process and advised that the Workgroup can request that the Modification is amended, quoting from the UNC Modification rules (Section 6.4.2).

DH feels that the detail is in the GCD11 discussion document and believes it to be robust.

CW clarified that GCD11 was a discussion document because the formula was outside of the UNC Code at the time. This has now been rectified. The description of the methodology is somewhat loosely worded (described in Section 3.5 of UNC TRANSPORTATION PRINCIPAL DOCUMENT SECTION Y – CHARGING METHODOLOGIES, see: <https://www.gasgovernance.co.uk/TPD>)

CW added that the Modification needs to be developed enough to be able to present to UNC Panel.

PG suggested that GCD11 is referred to within the Modification as a document that did not go fully through and was not adopted; i.e. as a discussion piece.

GJ said that the Modification needs a lot more detail than what is in there at the moment adding that this could be quite a material change impacting customers.

Section 5 Solution

Moving on to the amendments made to section 5, DH confirmed that Xoserve are expecting a Change Proposal to be submitted following this meeting, RH added that the next full DSC Change Management Committee meeting will be held on 13 December 2017 (see <https://www.gasgovernance.co.uk/dsc-change>).

DH confirmed this Modification is suitably compliant with TAR code, although GJ added that there is a potential for discrimination against IPs which could be noted in EU Code Impacts.

JCx asked if the implementation reference can be consistent throughout the Modification. DH confirmed the implementation references will be updated. Also, if implementation was to be after July 2018, for example, if there was a decision date for September 2018, would implementation be from 1 November because of the 2 months' notice?

When asked, it was confirmed that the implementation date is the date of the direction from the authority.

It was requested that two areas be included in the Workgroup Report:

- impacts to current short haul
- what the options would be.

3.0 Development of the Workgroup Report

With further amendments to the modification proposal expected, it was agreed that the development of the Workgroup Report would commence at the next scheduled meeting, see diary planning.

4.0 Next Steps

Discussed as part of Diary Planning.

5.0 Any Other Business

None.

6.0 Diary Planning

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

Following the earlier discussion, workgroup meetings for NTSCMF; Modification 0621 and Modification 0636 will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Wednesday 06 December 2017	Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW	<ul style="list-style-type: none"> • NTSCMF Gas Charging Forum • Workgroup 0621
approx. 13:00 Thursday 07 December 2017	Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW	<ul style="list-style-type: none"> • Workgroup 0636, to take place after completion of Transmission Workgroup
10:30 Thursday 14 December 2017	St Johns Hotel, Solihull	<ul style="list-style-type: none"> • Workgroup 0621
10:30 Monday 18 December 2017	Joint Office, Pure, Lake View House, Tournament Fields, Warwick CV34 6RG	<ul style="list-style-type: none"> • Workgroup 0636
10:30 Wednesday 20 December 2017	Solihull venue TBC	<ul style="list-style-type: none"> • Workgroup 0621
10:00 Wednesday 03 January 2018	Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW	<ul style="list-style-type: none"> • NTSCMF Gas Charging Forum • Workgroup 0621
13:00 Thursday 04 January 2018	Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW	<ul style="list-style-type: none"> • Workgroup 0636, to take place after completion of Transmission Workgroup
10:00 Monday 23 January 2018	Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW	<ul style="list-style-type: none"> • Workgroup 0621
10:30 Tuesday 06 February 2018	Solihull venue TBC	<ul style="list-style-type: none"> • NTSCMF Gas Charging Forum • Workgroup 0621
10:00 Tuesday 20 February 2018	Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW	<ul style="list-style-type: none"> • Modification 0621

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
0636-1101	06/11/17	2.2	DH to provide required clarification as to what M relates to within the formula in section 5 Solution.	TPA Solutions (DH)	Pending
0636-1102	06/11/17		DH to make amendments to the Modification adding further clarity and relevant detail to the proposition; solution and the avoidance of doubt section.	TPA Solutions (DH)	Pending
0636-1103	06/11/17		Referring to 'For the avoidance of doubt' (i) in Modification 0636, if the site is new, when does it cease to be new – explanation to be included in the modification.	TPA Solutions (DH)	Pending
0636-1104	06/11/17		DH to provide an explanation for inclusion in to the Modification of what 'seasonal' represents.	TPA Solutions (DH)	Pending
0636-1105	06/11/17		DH to arrange an offline meeting to gain a better understanding of the current process with National Grid and Xoserve, possibly separate meetings. Is this proposed solution possible and if so what will it take to achieve it in the most efficient way.	TPA Solutions (DH)	Pending