

Workgroup 0621 Summary of Outcomes
Thursday 12 April 2018
at St Johns Hotel, 651 Warwick Road, Solihull, B91 1AT

Attendees	
Rebecca Hailes (Chair)	Joint Office
Kully Jones (Secretary)	Joint Office
Adam Bates	National Grid NTS
Alex Nield*	Storengy UK
Andrew Pearce	BP
Anna Shrigley	ENI
Charles Ruffell	RWE
Charles Wood	Dentons
Chris Warner	Cadent
Colin Williams	National Grid NTS
David Cox	London Energy Consulting Ltd
David Mitchell*	SGN
Emma Buckton	NGN
Emma Lyndon	Xoserve
Gerry Hoggan	Scottish Power
Julie Cox	Energy UK
Kirsty Ingham	ESB
Liam O'Flynn*	Dentons
Matthew Hatch	National Grid NTS
Paul Toole	NGN
Penny Jackson	npower
Riccardo Rossi	Centrica
Richard Fairholme	Uniper
Shiv Singh*	Cadent
Will Webster*	Oil & Gas UK

Key Points/Decisions

1. Joint office provided a revised timetable which included additional meetings for the week beginning 23 April to support consideration of the analysis and legal text and development of the Workgroup Report by 03 May 2018. The tight timetable and aggressive schedule of meetings was noted but it was acknowledged that whilst this might be burdensome there was no alternative. The slide presentation provided for the meeting can be accessed here: <https://www.gasgovernance.co.uk/0621/120418>
2. Legal text Update – National Grid and Dentons provided a walkthrough of the proposed legal text changes to the following sections in relation to Modification 0621. The following sections will be

updated:

- Transportation Principal Document
- TPD Section B: System Use and Capacity
- TPD Section E: Daily Quantities, Imbalances and Reconciliation
- TPD Section B: Supply Points
- TPD Section Y: Charging Methodologies
- European Interconnection Document
- EID Section B: Capacity
- Transition Document
- TDIC – Transitional Rules

The legal text for Modification 0621 is nearly finalised with some small amendments outstanding and some actions arising from today's discussion to provide additional clarification.

The next step is to prepare the legal text for alternative Modifications 0621A; 0621B; 0621C; 0621D; 0621E; 0621F; 0621G; 0621H; and 0621J, using the text for Modification 0621 as the basis. This will then be reviewed by the Workgroup on 25 and 27 April 2018.

3. Modification 0621 Version 4.0 Update - National Grid highlighted the changes from version 3.0 of the Modification.
4. **Final versions of amended alternative Modifications must be received by 5pm on Tuesday 17 April 2018.**
5. Comparison Table – The proposers of Modifications 0621B and 0621J reviewed their columns in the comparison table and agreed to ensure that any changes required will be sent to National Grid. Proposers of Modifications 0621A, 0621C, 0621D, 0621E, 0621F and 0621G must ensure that they review the comparison table once their Modifications are finalised. This will be used for preparation of the legal text for alternatives.
6. Analysis – Workgroup considered 4 pieces of analysis:

Analysis 1 - FCC Baseline Analysis Obligated vs Peak vs Enduring Scenario.

Analysis 5 - Future Impact of Existing Contracts on Enduring Firm Price

Analysis 8 - Impact of the Optional Charge on Revenue Recovery Rates

Analysis 6 - Difference between the Transitional and Enduring Periods

It was agreed that National Grid will provide a commentary on these results (from a Modification 0621 viewpoint only) to aid Workgroup discussion. Workgroup responses agreed at the meeting will be included in the full minutes to be published on the Joint Office website. Further analysis is expected for review at the meeting on Friday 20 April 2018.

7. Workgroup explored the risks relating to systems implementation. The lead time required is normally six months. Currently the final Ofgem decision is expected in March 2019. Implementation is planned for September 2019. Better alignment is required between CDSP, National Grid and Ofgem.
8. Joint Office explained that it would explore with Panel whether an extension could be requested for completion of the Workgroup Report at the 19 April Modification Panel meeting.

Critical Actions

Action 120418: 0401 - National Grid to review Annex B Section 1.3.2 (k) in relation to the 01 August Charges Publication Date and consider if this should be earlier for certain items. National Grid to confirm a) what information should be published and when; b) which elements are to be included in UNC.

Action 120418: 0402 - National Grid to provide more information in relation to Annex B Section 1.5 Allowed Revenue – Formula Years. In particular, to confirm what revenue is moving or contributing towards Transmission revenue and what is moving or contributing towards Non-Transmission revenue and to provide an example of how it works. This includes the revenue from short term capacity and if legal text should be amended.

Action 120418: 0403 - National Grid to a) check if the word 'average' should be included into Annex B Section 2.5.1 (a) in relation to Forecast Contracted Capacity; b) Review Section 2.5.3 and consider if timescales should be added relating to the first time something is used moving from transition into the enduring.

Action 120418: 0404 – National Grid to review the definition of 'materially inaccurate' within Annex B Section 3.3.1 and consider if any changes are required.

Action 120418: 0405 - National Grid to consider if 'k' tolerances should be used as mitigating factors to inform price re-setting Annex A 3.3.1 (links to 404).

Action 120418: 0406 - National Grid to review the drafting in Annex A to clarify that the Optional Charge is Transmission Services revenue.

Action 120418: 0407 - National Grid to remove the typo in Annex A Section 3.12.1 (b). The sentence should read "National Grid NTS shall pay NTS Offtake..."

Action 120418: 0408 – National Grid to review Legal Text front page TPD Section G2.5.8(b) and check if the paragraph to be deleted should be (iii) and not (c).

Action 120418: 0409 - National Grid to provide examples in relation to Annex C Section 24.6.5 to illustrate 3 scenarios. This included IP to IP, Non IP to IP and IP to Non IP (all scenarios where IP is either the Entry or Exit Point for any NTS optional charge nomination).

Action 120418: 0410 - CDSP (EL) to a) highlight the implications of implementation of any of the 0621 Modifications and to set out what is needed for TAR compliance. In addition, to provide a view on whether the timescales are feasible; b) provide some text for the Workgroup report on the key risks and how they can be mitigated for Modification 0621 and the corresponding alternatives.

Action 120418: 0411 – SSE (JC) to confirm whether the FCC Baseline analysis applies to Modification 0621B.

Action 120418: 0412 – National Grid in relation to Agenda item 6.3 Analysis to provide supporting commentary for all analysis to provide a summary conclusion to aid Workgroup discussion. In addition, to provide a view of how the data conclusions help to support and further the relevant objectives in reference to Modification 0621.

Action 120418: 0413 – National Grid (AB) in relation to Analysis 8 - Impact of the Optional Charge on Revenue Recovery Rates to provide more examples to illustrate as per 409. In addition, to provide details of the revenue recovered in terms of money rather than percentages.

Action 120418: 0414 - Pavanjit Dhesi to review Analysis 8 - Impact of the Optional Charge on Revenue Recovery Rates to provide a view from IUK on the impact on IP flows.

Action 120418: 0415 - Energy UK (JC) in relation to existing contracts: TAR compliance and relevant objectives to provide a summary of the key issues that need consideration for the Workgroup Report.

Action 120418: 0416 - GDN Workgroup participants to update workgroup for Modification 0621 on how NTS pricing changes will change DN Charges and articulate the potential impact on consumers.

Action 120418: 0417 – Joint Office (RH) to circulate the Workgroup Report and highlight the sections that need to be reviewed.

The next meeting will be held on Friday 20 April 2018 at St Johns Hotel, Solihull, B91 1AT. Please note that the meeting will start at 10am and finish at 4pm. Agenda and papers can be found on the website <https://www.gasgovernance.co.uk/0621/200418>

Workgroup 0621 Key Dates

Date	Focus for the meeting	Venue
Friday 20 April	Analysis and review of amended modifications	10:00 – 16:00 St Johns Hotel, Solihull
Monday 23 April	Workgroup Report development	9:30 – 17:00 St Johns Hotel, Solihull
Tuesday 24 April	Workgroup Report development	9:30 – 17:00 St Johns Hotel, Solihull
Wednesday 25 April	Legal Text Review - 0621	9:30 – 17:00 St Johns Hotel, Solihull
Thursday 26 April	Workgroup Report development	9:30 – 17:00 St Johns Hotel, Solihull
Friday 27 April	Legal Text Review - 0621 Alternatives	9:30 – 17:00 St Johns Hotel, Solihull
Monday 30 April	Workgroup Report development	9:30 – 17:00 St Johns Hotel, Solihull
Tuesday 01 May	NTSCMF and Workgroup Report development	Elexon, London
Wednesday 02May	Workgroup Report completion	9:30 – 17:00 St Johns Hotel, Solihull
Tuesday 08 May	Placeholder if required	St Johns Hotel, Solihull