

**UNC Workgroup 0493 Minutes**  
**EU Gas Balancing Code – Daily Nominations at Interconnection**  
**Points (IP)**  
**Thursday 22 May 2014**  
**31 Homer Road, Solihull B91 3LT**

**Attendees**

Les Jenkins (Chair)	(LJ)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andrew Burke*	(AB)	esb
Anna Shrigley	(AS)	ENI UK
Charles Ruffell	(CR)	RWEst
Chris Shanley	(CS)	National Grid NTS
Colin Hamilton	(CH)	National Grid NTS
Douglas O'Brian*	(DO)	Bord Gais
Graham Jack	(GJ)	Centrica
Isabelle Magne	(IM)	GDF Suez
Jeff Chandler	(JC)	SSE
Jessica Housden*	(JH)	Ofgem
Julie Cox	(JCx)	Energy UK
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Phil Lucas	(PL)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK

*\*via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0493/220514>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 October 2014.

**1.0 Introduction**

LJ welcomed all to the meeting.

**1.1 Minutes**

None to be considered.

**1.2 Actions**

None to be considered.

**2.0 Discussion**

PL provided a brief introduction and explanation behind the rationale for raising the modification.

**3.0 Draft Business Rules**

Opening, PL explained the approach adopted during the development of the draft business rules and pointed out the use of the **RED** rule source indicator.

An onscreen line-by-line review of the draft business rules took place with the key discussion points captured as follows:

- Introduction rule 4 – it was noted that delays in completing the comitology could delay delivery of the Interoperability Code in Q4 2014;

- Introduction rule 5 – Edig@s xml is a non Code document but use of Edig@s data formats for data exchange is expected to be mandated by the Interoperability Code;
- Introduction rule 7 – could be impacted by Scottish Independence if it goes ahead;
- Definitions rule 16 for BST – questions were asked as to whether or not this is actually needed when we have both GMT and UTC;
- Current Assumptions, Principles rule 50 – it was noted that whilst the main aim, from a National Grid perspective, is to retain consistency with the GB regime and rules where possible, discussions with other adjacent TSOs are ongoing – these could result in tweaks to the modification in due course.

It is envisaged that capacity validations would only be invoked in the event of a system constraint.

It was felt by some that potentially having different arrangements per TSO could be a serious flaw (from a User perspective) in how EU requirements such as over nominations are to be implemented at an IP, so a new action was placed against National Grid NTS (PL/CS) to double check with other TSOs what their expected approach regarding over nominations is expected to be (inc. an explanation of possible alternative options). National Grid NTS were also asked to provide a copy of the TSO nominations framework for publication alongside the minutes.

**Action 0501: National Grid NTS (PL/CS) to double check with other TSOs what their expected approach regarding capacity validation and over nominations and explain possible alternative options open to National Grid (as the TSO) with regards to capacity validation and over nomination and provide a copy of the TSO nominations framework for publication alongside the minutes.**

- Current Assumptions, Data rule 59 – a separate modification proposal will be raised to address the Allocation aspects in due course. A new action was placed on National Grid NTS (CS) to provide a link (for inclusion in the minutes) to the Edig@s data formats Sections VI and III.

**Action 0502: National Grid NTS (PL/CS) to provide a link (for inclusion in the minutes) to the Edig@s Implementation Guidelines Sections VI and III and the BRS documents.**

- Current Assumptions, Data rule 64 – ‘Matching Rule(s)’ are currently being considered by both National Grid NTS and its adjacent TSOs;
- Nominations and Re-nominations – General rule 65 – consideration of the EIC Codes is being undertaken and ENSOG is looking into whether or not they have a role to play (reference page 8 footer number 4).

**Action 0503: National Grid NTS (PL/CS) to provide a view on EIC Codes utilisation going forwards (reference page 8 footer number 4).**

- Nominations and Re-nominations – General rule 67.1 – the Processed Quantity is the amount of gas the TSO is comfortable to allow to flow;
- Nominations and Re-nominations – General rule 69 – views on how best to manage re-nominations following physical or location trades were welcomed. It was noted that whilst it is the unbundled product that imposes the greatest complexity, the general principle is that both bundled and unbundled would be handled the same.

Some parties believe that allowing Users to have an opportunity to sort out their nominations / re-nomination up front feels right. CS advised that National Grid NTS proposes to amend the User’s nominations where the User does not revise its nominations to reflect the amended flow quantities following the trade;

- Contingency rule 78 – during a brief discussion an action was placed on National Grid NTS to provide some example scenarios for multiple confirmed quantities and how traded quantities would be applied to them.

**Action 0504: National Grid NTS (PL/CS) to provide to provide some example scenarios for multiple confirmed quantities and how traded quantities would be applied to them.**

- Confirmation to User rules 87 & 88 – questions asked as to whether it would be appropriate for parties to ‘reverse flow’ their nominations / re-nominations (within the prescribed 2 hour window) in order to sort out issues – a clear view was not reached during the meeting on this;
- Revisions rule 93 – during discussion, CS also advised that the balancing code rules were designed to prevent any TSOs unnecessarily revising nominations.

CS noted that the new matching and nominations process may from a User’s perspective be more robust than the current regime as they would have more certainty over their flows and OBAs provided total certainty;

- Revisions rule 95 – National Grid NTS would welcome any views on the proposed business rule;

Concerns were voiced around the single sided nomination whereby parties could potentially end up with a ‘long’ position and how subsequent adjustments could / would / should work.

**Action 0505: National Grid NTS (PL/CS) to consider providing an ‘Exceptional Event’ scenario (based around business rules 95 & 96) that include both the nominations and allocations aspects.**

- Revisions rules 98 – a hard cut-over time is not envisaged for these aspects as a soft landing approach is expected.

In concluding discussions, PL indicated that he would take the points raised on board with a view to providing amended business rules in due course.

#### 4.0 Legal Text

In light of discussions on the draft business rules further consideration of this item was deferred.

#### 5.0 Workgroup Report

In light of discussions on the draft business rules further consideration of this item was deferred.

#### 6.0 Any Other Business

None.

#### 7.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Following a brief discussion it was agreed to meet again prior to the CAM meeting scheduled for 03 June 2014 at the Energy Networks Association, London

Date	Location
Thursday 10 July 2014 <b>(Provisional date for</b>	Location to be confirmed.

<b>Workgroups 0493, 0500 &amp; 0501)</b>	
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**Action Table**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0501</b>	22/05/14	3.0	To double check with other TSOs what their expected approach regarding capacity validation and over nominations and explain possible alternative options open to National Grid (as the TSO) with regards to capacity validation and over nomination and provide a copy of the TSO nominations framework for publication alongside the minutes.	National Grid NTS (PL/CS)	Update pending.
<b>0502</b>	22/05/14	3.0	To provide a link (for inclusion in the minutes) to the Edig Implementation Guidelines Sections VI and III and the BRS documents.	National Grid NTS (PL/CS)	Update pending.
<b>0503</b>	22/05/14	3.0	To provide a view on EIC Codes utilisation going forwards (reference page 8 footer number 4).	National Grid NTS (PL/CS)	Update pending.
<b>0504</b>	22/05/14	3.0	To provide to provide some example scenarios for multiple confirmed quantities and how traded quantities would be applied to them.	National Grid NTS (PL/CS)	Update pending.
<b>0505</b>	22/05/14	3.0	To consider providing an 'Exceptional Event' scenario (based around business rules 95 & 96) that include both the nominations and allocations aspects.	National Grid NTS (PL/CS)	Update pending.