

Workgroup 0621 Summary of Outcomes
Tuesday 24 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
Andrew Pearce	BP
Anna Shrigley*	ENI
Charles Ruffell	RWE
Chris Shanley	Joint Office
Colin Williams	National Grid NTS
Danishtah Parker*	Cadent
Debra Hawkin	TPA Solutions
Graham Jack	Centrica
Helen Bennett*	Joint Office
John Costa*	EDF
Matthew Hatch	National Grid NTS
Kirsty Ingham*	ESB (pm only)
Nick Wye	Waters Wye Associates
Paul Orsler	Xoserve
Phil Lucas	National Grid NTS
Richard Fairholme	Uniper
Richard Pomroy*	Wales & West Utilities (PM only)
Sean Hayward	Ofgem
Steve Pownall*	Xoserve

Key Points/Decisions

1. Joint Office welcomed everyone to the meeting. It was noted that at the start of the meeting the Workgroup was not quorate as there was not enough representation from Transporters.
2. The material provided for the meeting can be accessed here:
<https://www.gasgovernance.co.uk/0621/240418>
3. Nick Wye on behalf of Gateway LNG Company presented to Workgroup a new alternative Modification 0621 proposal as a pre-modification discussion. The proposed alternative Modification is based on Modification 0621A with the key difference being a proposal to apply a 100% discount for Off Peak capacity at storage exit points. The justification for this is that that pipeline capacity is constructed and paid for by storage users through the acquisition of Firm Capacity, in particular Entry Capacity. The proposer considers that a combination of an 86% discount on capacity prices and a 100% discount for Off Peak capacity at storage Exit Points will result in an increased cost to non-storage Users of approximately £1.15m per annum in the

enduring regime. This would be recovered via an adjustment to the initial reserve prices.

Joint Office informed the Workgroup that an extraordinary Modification Panel would need to be convened as soon as possible in order to consider the proposal as part of 0621 Workgroup.

4. The Workgroup Schedule was reviewed and the following changes were made to the agenda for Thursday 26 April 2018. The topic *Reserve Price Specific Capacity* will be discussed as part of the afternoon session and the *NTS Optional Charge* will be discussed as part of the morning session.

In addition, the NTSCMF meeting to be held on 01 May 2018 will consider legal text for all the alternative Modifications (including the proposed alternative Modification 0621 if Modification Panel confirm this as an alternative and legal text is available).

Joint Office informed the Workgroup that the Workgroup Report will be finalised on 8 May 2018. The Workgroup will see the final report before it is submitted to the Modification Panel.

5. Workgroup went through the **Workgroup Report Drafting** document published on the website as version 2.0. This document forms the basis of the discussion. The focus of the morning session was *FCC and Historical Contracts* (Page 4) and *Revenue Recovery Charges* (Page 6) in the transition period. The afternoon session focused on *Revenue Recovery Charges in the enduring period* (Page 7).
6. There are a number of other short topic areas which will be discussed when they can be slotted into the schedule. 2 topic areas were discussed at the meeting today:
 - a. *Multipliers* (Page 5)
 - b. *Interruptible Capacity* (Page 5).

Through discussion Workgroup participants suggested amendments and comments which were noted in the document.

The Chair acknowledged that the Comparison Table was an excellent source of reference which was used throughout the meeting as a comparison of the Modifications. Phil Lucas was thanked for his hard work to produce the document. An updated version of the table will be produced to take into account the new alternative Modification when it has been agreed.

The revised document is published as version 3.0 here:

<https://www.gasgovernance.co.uk/0621/240418>

Industry parties are strongly encouraged to review this document and the changes made on 23 and 24 April 2018. Any comments should be sent to Joint Office at enquiries@gasgovernance.co.uk.

7. Joint Office reminded the Workgroup that it was agreed at the 20 April 2018 meeting that a full set of minutes will not be provided in addition to the post meeting note containing key messages and the Workgroup action table. Workgroup acknowledged that this had been agreed as it was not considered achievable with daily meetings taking place.
8. The Workgroup Action Table was reviewed and updated with outstanding actions and new actions from today.

Critical Actions

The actions are now published on the website as a separate document here:

<https://www.gasgovernance.co.uk/0621/240418>.

The next meeting will be held on Wednesday 25 April 2018 at St Johns Hotel, Solihull, B91 1AT. Please note that the meeting will start at 9:30am and finish at 4pm. Agenda and papers can be found on the website <https://www.gasgovernance.co.uk/0621/250418>

Workgroup Schedule (as at 24 April 2018)

	9:30 - 13:00	13:30 - 17:00
23-Apr	Capacity Reference Price	Forecasted Contracted Capacity
24-Apr	FCC, including historical contracts Revenue Recovery Charge (Transition), including historical contracts	Revenue Recovery Charge (Enduring) including historical contracts
25-Apr	Legal Text (0621)	EU Compliance Non-Transmission Service Charges Publication of variables
26-Apr	NTS Optional Charge Combined DN Impacts Individual DN Impacts	Reserve Price - Specific Capacity Discounts Interruptible Capacity
27-Apr	Analysis for Alternative Mods??? NTS Optional Charge	Topic (TBC)
30-Apr	Relevant Objectives	Relevant Objectives
01-May	NTSCMF (including 0621 Workgroup) Legal Text (0621 Alternatives)	NTSCMF (including 0621 Workgroup) Legal Text (0621 Alternatives)
02-May	Finalise Workgroup Report	Finalise Workgroup Report
03-May	<i>Relevant Objectives</i>	<i>Relevant Objectives</i>
04-May	Relevant Objectives and/or Finalise Workgroup Report	Relevant Objectives and/or Finalise Workgroup Report
08-May	Finalise Workgroup Report	Finalise Workgroup Report
09-May		Submit Workgroup Report to Panel (no meeting – JO admin activity)