

## Workgroup 0621 Summary of Outcomes Wednesday 25 April 2018 at St Johns Hotel, 651 Warwick Road, Solihull, B91 1AT

| Attendees               |                       |
|-------------------------|-----------------------|
| Rebecca Hailes (Chair)  | Joint Office          |
| Kully Jones (Secretary) | Joint Office          |
| Anna Shrigley*          | ENI                   |
| Charles Wood*           | Dentons (am)          |
| Chris Shanley           | Joint Office          |
| Colin Williams          | National Grid NTS     |
| Debra Hawkin            | TPA Solutions         |
| Graham Jack             | Centrica              |
| Helen Bennett           | Joint Office          |
| Julie Cox               | Energy UK             |
| Liam O'Flynn            | Dentons               |
| Nick Wye                | Waters Wye Associates |
| Paul Orsler             | Xoserve               |
| Paul Youngman           | Drax                  |
| Phil Lucas              | National Grid NTS     |
| Richard Fairholme       | Uniper                |
| Richard Miller*         | Ofgem                 |
| Sean Hayward*           | Ofgem                 |
| Shiv Singh*             | Cadent                |

| Key Points/Decisions  |
|---|
| <ol style="list-style-type: none"> <li>1. Joint Office welcomed everyone to the meeting.</li> <li>2. The material provided for the meeting can be accessed here:<br/> <a href="https://www.gasgovernance.co.uk/0621/250418">https://www.gasgovernance.co.uk/0621/250418</a></li> <li>3. No Pre-Mod discussion.</li> <li>4. Workgroup went through the <b>Workgroup Report Drafting</b> document published on the website as version 4.1, this includes additional paragraphs inserted by National Grid on NTS Optional Charge and Updating Costs for RPI for discussion (page 12 and 13). An initial review of the NTS Optional Charge discussion took place focusing on Modification 0621C. Please note that this topic will be discussed in full tomorrow as planned.</li> <li>5. Charles Wood and Liam O'Flynn from Dentons joined the meeting to walkthrough the updated legal text for Modification 0621 for discussion. The following documents were reviewed in the meeting:<br/>                     Legal Text - Cover Sheet<br/>                     Legal Text - Annex C Transition Document Part IIC</li> </ol> |

Legal Text - Annex A TPD Section B System Use and Capacity

Legal Text - TPD Annex B Section Y Charging Methodologies

Charles Wood explained that he would provide an overview of the changes made since the meeting held on 12 April 2018. In addition, he explained the changes that Dentons are still intending to make together with any new points raised at the meeting.

Workgroup discussed various aspects of the business rules. Workgroup also sought confirmation whether a Legal text commentary table would be provided and what it would cover.

A number of actions arose from discussion and these are detailed in the updated Workgroup Action Table. An update on the outstanding actions in relation to legal text arising from the meeting on 12 April 2018 is also provided.

6. The Workgroup discussed a document prepared by Julie Cox, Energy UK titled *Compliance of Modification 0621 and alternative Modifications with EU Law*. Julie Cox suggested that Modification 0621 and the alternative Modifications may not be compliant with the Tar Code. Workgroup participants discussed the table row by row and Julie highlighted where she considered compliance was an issue. Workgroup comments were added to the table.

National Grid confirmed that in their view Modification 0621 is compliant with TAR regulation.

Ofgem reminded the Workgroup that they will need the Workgroup through the report (relevant objective section) to show demonstration of compliance. This should include justification of cost reflectivity of commodity charge and a cost allocation assessment.

It was agreed that this document needs to be reviewed again alongside the discussion on relevant objectives on 30 April 2018. It was suggested that the Compliance table is also reviewed by National Grid NTS and other proposers.

The Workgroup report will include a section on EU Compliance – issues and concerns raised by Workgroup members and responses from proposers. This will be discussed at the meetings on Monday 30 April 2018 and 03 and 04 May 2018.

7. The Workgroup in the afternoon session focused on Non-Transmission Service Charges and K Principles (page 16) and also Publication of Variables. Through discussion Workgroup participants suggested amendments and comments which were noted in the document.

**Industry parties are strongly encouraged to review this document and the changes. Any comments should be sent to Joint Office at [enquiries@gasgovernance.co.uk](mailto:enquiries@gasgovernance.co.uk)**

### Critical Actions

The actions are now published on the website as a separate document here:  
<https://www.gasgovernance.co.uk/0621/250418>.

**The next meeting will be held on Thursday 26 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 here: <https://www.gasgovernance.co.uk/0621/260418>**

Workgroup Schedule as at 25 April 2018

|        | 9:30 - 13:00   | 13:30 - 17:00   |
|--------|--|---|
| 23-Apr | Capacity Reference Price   | Forecasted Contracted Capacity  |
| 24-Apr | FCC, including historical contracts<br>Revenue Recovery Charge<br>(Transition), including historical<br>contracts  | Revenue Recovery Charge<br>(Enduring) including historical<br>contracts   |
| 25-Apr | Legal Text (0621)  | EU Compliance<br>Non-Transmission Service Charges<br>Publication of variables   |
| 26-Apr | NTS Optional Charge <ul style="list-style-type: none"> <li>• Changes to NTS Optional Charge</li> <li>• For 0621D - removal optional charge</li> </ul> Combined DN Impacts<br>Individual DN Impacts | Reserve Price - Specific Capacity Discounts <ul style="list-style-type: none"> <li>• Storengy Paper - Analysis from Storengy for 0621A on Security of Supply/NBP impacts</li> </ul> |
| 27-Apr | Analysis for Alternative Mods <ul style="list-style-type: none"> <li>• Material for 0621D square root distance, removal optional charge, publication of forecasts</li> </ul> NTS Optional Charge?  | Topic (TBC)   |
| 30-Apr | Relevant Objectives  | Relevant Objectives   |
| 01-May | NTSCMF (including 0621 Workgroup)<br>Legal Text (0621 Alternatives)  | NTSCMF (including 0621 Workgroup)<br>Legal Text (0621 Alternatives)   |
| 02-May | Finalise Workgroup Report  | Finalise Workgroup Report   |
| 03-May | Relevant Objectives  | Relevant Objectives   |
| 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<br>(no meeting – JO admin activity)  |