

**UNC Transmission Workgroup Minutes**  
**Wednesday 16 May 2018**  
**at Elexon, 4th Floor, 350 Euston Road, London NW1 3AW**

**Attendees**

Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andrea Godden *	(AG)	National Grid NTS
Andrew Blair	(AB)	IUK
Anna Shrigley	(AS)	ENI
Charles Ruffell	(CR)	RWE
Colin Hamilton *	(CH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Jeff Chandler *	(JCh)	SSE
Jon Dutton *	(JD)	National Grid NTS
Julie Cox *	(JCx)	Energy UK
Mark Rixon	(MH)	Engie
Nicola Lond	(NL)	National Grid NTS
Nick King	(NK)	CNG Services
Nick Tyler *	(NT)	National Grid NTS
Nick Wye *	(NW)	Waters Wye Associates Limited
Phil Hobbins	(PH)	National Grid NTS
Ranjit Patel	(RP)	Xoserve
Robin Dunne	(RD)	Ofgem
Richard Fairholme *	(RF)	Uniper
Shiv Singh *	(SS)	Cadent
Steven Britton *	(SB)	Cornwall Insight
Steve Pownall	(SP)	Xoserve
Terry Burke	(TB)	Statoil

*\*via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/tx/160518>

## 1. Introduction and Status Review

### 1.1. Approval of Minutes (05 April 2018)

The minutes from the previous meeting were approved.

### 1.2. Ofgem Update

Robin Dunne, RD, talked the workgroup through the Industry update which covered the following topics:

- Ofgem launches investigation into Cadent's record keeping.
- Gas NIC Initial Screening Submission 2018 for Hydeploy2 (Cadent).
  - **New Action 0501: Joint Office (RH) to request an update from Cadent with regards to the Hydeploy2 project. Dave Chalmers from Cadent to be invited to the next Transmission Workgroup.**
- Direction to make modifications to the Gas Transmission Regulatory Instructions and Guidance (RIGs) for RIIO-T1 (2017/18).
- Direction - Modification of RIIO-GD1 Price Control Regulatory Instructions and Guidance: Version 5.0.
- Informal consultation on RIIO-1 price control reopeners (May 2018).
- Open letter on Pressure Calibration Devices in T/PR/ME/2.
  - **New Action 0502: Ofgem (RD) to confirm the next steps on the Open Letter.**
- UNC0636 Updating the parameters for the NTS Optional Commodity Charge – request for urgency (UNC636).

For further information, please see the Industry update from Ofgem here: <https://www.gasgovernance.co.uk/tx/160518>

### 1.3. Pre-Modification Discussions

#### 1.3.1 Combined Capacity at ASEPs / Revenue Recovery at Combined ASEPs

Colin Hamilton, CH, talked the workgroup through an update for the Combined Capacity at ASEP's pre-modification.

He explained that the development of this modification was put on hold whilst Modification 0621 - Amendments to Gas Transmission Charging Regime was being developed and the intention is to formally submit this new modification to the 21 June 2018 UNC Panel with the pre-modification draft being presented to this workgroup on 07 June 2018.

The proposed modification will focus only on capacity associated with abandoned projects at Interconnection Points (IPs) as only these points will have a capacity-based revenue recovery charge. Consideration will be given to redundant capacity at non-IPs at a later date as any revenue recovery charge shall be based on flows until October 2021.

CH added that the proposed solution shall retain the fungibility of existing allocated capacity. It is the intention that this modification shall be implemented along with UNC0621 (or one of its alternatives) with an implementation date of 01 October 2019.

CH advised that this modification will be incorporated into part B of the EU/GB Charging Project which is current in the Analysis and Design stage (in terms of systems).

When asked, CH clarified that 'exempt quantity' is capacity related to a storage project and will still pay legacy capacity prices and that abandoned capacity will be revisited from October 2021 onwards.

#### 1.3.2 Reconciliation and Imbalance Cash-Out Prices

RH advised the Workgroup that there could be a further pre-modification relating to "Reconciliation and Imbalance Cash-Out Prices" which is still in draft status and is being prepared by George MacGregor of Utilita. In the Gas Industry, daily imbalance and reconciliation are separate processes, whereas, this modification is looking to introduce an

electricity-type model where a change to imbalance impacts reconciliation. This was presented to Distribution Workgroup (see: <https://www.gasgovernance.co.uk/dist/260418> ) where it was identified as a cross party topic. It is possible there will be a separate workgroup consisting of Distribution and Transmission parties.

Steve Pownall, SP, confirmed that Xoserve have been working on this with Utilita and advised the Workgroup that this would be a fundamental change to the current regime and to Xoserve systems if implemented.

## 2. European Update

Phil Hobbins, PH, gave an EU general update which covered the following areas:

### **Code Status Update**

PH advised the Workgroup that the Code Status Update section would not be provided going forward as it was no longer required.

### **Changes to EU Gas Network Codes**

The European Commission (EC) has suggested some changes to the EU Gas Network Codes.

PH was informed yesterday (16 May 2018) that the EC have now postponed plans to do this, the main issue being timing.

### **Potential GTCs Template**

Colin Hamilton, CH, explained that although there is a CAM requirement for ENTSOG to develop a template to align the main terms and conditions for bundled capacity, the template is not a legal requirement and National Grid have no obligation to provide one.

On 12 April 2018 ENTSOG published a consultation of a draft template which National Grid publicised via an Energy Networks Association, ENA communication.

Use of the template is optional.

### **Functionality Platform Issue Update**

PH explained that this topic was originally brought to Workgroup in March 2018 (see slides 34 and 35 of National Grid's slides which can be found here <https://www.gasgovernance.co.uk/tx/010318>). The purpose of the Functionality platform is to provide a way for interested parties to raise an issue concerning an EU Gas Network Code and Guidelines. The platform, is co-managed by ENTSOG and ACER, with support from the Commission. The issue in question relates to the Interoperability Code and could be solved by extending the scope of the Common Data Exchange Solutions (CDES) that TSOs currently have to offer at IPs only to include

- a) Trade notifications submitted by shippers to TSOs
- b) Shipper nominations to storage operators.

A meeting between ENTSOG, ACER and the stakeholders that have raised the issue is scheduled for mid-May 2018 to discuss potential solutions, a public consultation will follow after the meeting and National Grid will advise the Workgroup of the potential solutions and timescale for consultation.

**Post meeting note:** The Joint Office forwarded notification of the consultation on Data exchange solutions at Virtual Trading Points and Storage Facilities on Monday 21 May 2018.

### **EU Gas Quality Update**

PH provided a brief introduction to this topic and reminded the Workgroup that this initiative is still progressing and that there is no formal UK representative involved.

Please see the presentation material from slide 23 provided for this meeting here: <https://www.gasgovernance.co.uk/tx/160518>.

## Future Topics

The Workgroup agreed this slide is no longer relevant and should no longer be included in the Transmission material.

## 3. Workgroups

### 3.1. 0628S - Standard Design Connections: PARCA process

*(Report to Panel 21 June 2018)*

<https://www.gasgovernance.co.uk/0628>

### 3.2. 0629S - Standard Design Connections: A2O connection process modification

*(Report to Panel 21 June 2018)*

<https://www.gasgovernance.co.uk/0629>

### 3.3. 0653 - Updating the parameters for the NTS Optional Commodity Charge – Introducing the NTS Optional Cap

*(Report to Panel 21 June 2018)*

<https://www.gasgovernance.co.uk/0653>

## 4. Issues

ISS066 – Implications of decommissioned Exit/Entry points update

It was confirmed that Workgroup will discuss this at its June meeting, with Julie Cox providing a scoping document. See Action Update 0401.

## 5. Any Other Business

### 5.1. Project CLoCC to discuss potential changes to GT Licence (NL)

Nicola Lond, NL, talked the Workgroup through the presentation material provided for the meeting, highlighting the problem and the objective. The recommendation is to leave the current tables that are in the GT NTS Licence (Sp C 5F & 5G Part F - **Non-Incremental Obligated** (Entry/Exit) Capacity)).

- Substitution & Revenue Drivers will still need to be agreed through consultation and addition to the Licence, as now.
- A new process is being proposed for adding New points **with Zero Baselines only** to a Table which sits outside of the Licence and is maintained by National Grid. (to form part of an existing report).
- The aim is to retain the appropriate governance in the **Exit/Entry Capacity Release Methodology statements**.
- Following initial discussions, it is not considered that Industry Consultation or Ofgem approval is required on the adding of new points with zero baseline. The only consultation required is for Relevant Points pursuant to Article 18(4) of the EU Gas Regulation - not required for capacity allocation (for information transparency purposes only).

NL advised that National Grid sent a formal request to Ofgem to commence Licence Consultation on 29 March 2018.

Workgroup recognised that this topic is good news.

For reference and further detail, this information starts on slide 50 of the Transmission Presentation found here: <https://www.gasgovernance.co.uk/tx/160518>.

### 4.3 Industry Change Plan (PH)

PH talked the Workgroup through the presentation material provided for the meeting highlighting the background; what the Gas Industry Change Plan is, and Why National Grid are developing it.

The Draft Gas Industry Change Plan Topics was shown for illustrative purposes. General feedback from the Workgroup was very positive and Workgroup requested a fuller plan with more detail for discussion at the next meeting.

For reference and further detail, this information starts on slide 57 of the Transmission Presentation found here: <https://www.gasgovernance.co.uk/tx/160518>.

### 4.4 Updates to the Statement for Gas Transmission /Connections Charging

Andrea Godden, AG, explained that a review of the current application fees has been conducted and provided the results which show some minor adjustment to the Complex; Disconnection; Decommissioning and Minor Modification categories is required.

She presented a table, (slide 67), which showed the proposed A20 Application Fees will be implemented from 1 July 2018.

When asked, AG confirmed that CAM Incremental is a bi-monthly IP process.

AG ended her presentation by talking the Workgroup through the Implementation Plan.

For reference and further detail, this information starts on slide 64 of the Transmission Presentation found here: <https://www.gasgovernance.co.uk/tx/160518>.

### 4.5 IED Compressor Reopener Update

Jon Dutton (JD) joined the meeting to provide the Workgroup with a brief update.

He advised that recognition of previous views in terms of retaining flexibility at a reasonable cost have been taken in to consideration and provided a latest view on the proposals.

Covering next steps, JD confirmed that the submission to Ofgem is planned for 25 May 2018.

For reference and further detail, this information starts on slide 45 of the Transmission Presentation found here: <https://www.gasgovernance.co.uk/tx/160518>

## 5 Review of Outstanding Action(s)

**0401:** National Grid (NL) to confirm if this issue is being considered as part of RIIO-T2. Issue to be considered at June 2018 meeting.

**Update:** JCx to attend June 2018 Transmission Workgroup and provide a scoping document.

**Carried Forward**

**0402:** National Grid (PH) to clarify how GTYS gas limits are set, who controls them and how they change over time.

**Update:** National Grid provided an update which can be found within the presentation material. Further clarification/detail is required. **Carried Forward**

## 6 Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10:00 Monday 07 June 2018	Elexon, 350 Euston Rd, London NW1 3AW	Modification 0628S completion of Workgroup report Modification 0629S completion of Workgroup report Transmission Workgroup standard Agenda
10:00 Thursday 05 July 2018	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Transmission Workgroup standard Agenda
10.00 Thursday 02 August 2018	Elexon, 350 Euston Road, London NW1 3AW	Transmission Workgroup standard Agenda
10.00 Thursday 06 September 2018	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Transmission Workgroup standard Agenda
10.00, Thursday 04 October 2018	Elexon, 350 Euston Road, London NW1 3AW	Transmission Workgroup standard Agenda
10.00, Thursday 01 November 2018	Elexon, 350 Euston Road, London NW1 3AW	Transmission Workgroup standard Agenda
10.00, Thursday 06 December 2018	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Transmission Workgroup standard Agenda

### Action Table (as at 16 May 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	05/04/18	4.0	National Grid (NL) to confirm if this issue is being considered as part of RIIO-T2. Issue to be considered at June 2018 meeting.	National Grid NTS (NL)	Pending
0402	05/04/18	6.0	National Grid (PH) to clarify how GTYS gas limits are set, who controls them and how they change over time.	National Grid NTS (PH)	Pending

<p><b>0628 0102</b></p>	<p>04/01/18</p>	<p>2.0</p>	<p>National Grid NTS (NL) to provide information on how often National Grid NTS had accepted or declined non-obligated capacity requests in the past.</p> <p>National Grid NTS to provide some constraint reasons for rejection of non-obligated capacity going back to Exit Reform 2012.</p> <p>National Grid NTS to provide the same level of information given for long term non-obligated rejections for short term capacity.</p>	<p>National Grid NTS (NL)</p>	<p><b>Carried Forward to Transmission Workgroup</b></p>
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