

**UNC Workgroup 0407 Minutes**  
**Standardisation of notice periods for offtake rate changes for all**  
**National Grid NTS Exit Users**  
**Monday 23 April 2012**  
**at 31 Homer Road, Solihull B91 3LT**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Alison Chamberlain	(AC)	National Grid Distribution
Bethan Winter	(BW)	Wales & West Utilities
Dave Adlam	(DA)	National Grid Distribution
Dave Mitchell	(DM)	Scotia Gas Networks
Fergus Healy	(FH)	National Grid NTS
Helga Clarke	(HC)	National Grid NTS
Jakob Forman*	(JF)	DONG Energy
Lewis Hodgart*	(LH)	Ofgem
Mark Lyndon	(ML)	National Grid NTS
Phil Hobbins	(PH)	National Grid NTS
Rob Cameron-Higgs*	(RCH)	Wales & West Utilities
Tim Davis*	(TD)	Joint Office

\* via teleconference

Copies of all papers are available at: [www.gasgovernance.co.uk/0407/230412](http://www.gasgovernance.co.uk/0407/230412)

**1.0 Introduction and Status Review**

**1.1. Review of minutes**

The minutes of the previous meeting were accepted.

**1.2. Review of actions**

**0002:** GDNs to review known breaches the action taken or could have been taken to avoid the breach and the likely investment that would have been required.

**Update:** WWU had previously explained that just for one LDZ to avoid the breach would have required investment in excess of £1m. DA asked if this data was still required by National Grid NTS following recent offline discussions. The view was that the action should be closed. **Closed.**

**0003:** Workgroup to ascertain the potential consequence on LDZ connected consumers (including any evidence) in relation to the rule and discrimination.

**Update:** RCH believed that views would need to be captured in the Workgroup Report. **Closed.**

**0008:** NTS to provide a version of the graph presented to each DNO with their specific LDZ offtakes identified.

**Update:** PH confirmed each of the DNs had been provided with the identification of their LDZs. **Complete.**

## 2.0 Discussion

PH confirmed that an offline meeting with DNs had taken place to look at the current rules and potential options to resolve the issues. National Grid NTS also engaged GL to allow consideration of the 0407 principals and the impact to flow margins.

PH reported that WWU wished for Modification 0407 to stay on the table, as they believe it would allow alternative solutions to be considered. PH explained that an impact assessment would need to be undertaken across the NTS to fully understand the impact of removing the rule. He suggested that the cost of the impact assessment should be charged back to the DNs. RCH did not accept that analysis required by National Grid NTS should be recharged back to the DNs. However, PH believed that it was entirely appropriate for DNs to fund the analysis in the same way a direct connect would fund any analysis required to allow a connection to take place. DA wished to understand the justification of DNs paying for the analysis; he felt that National Grid NTS need to justify the case for keeping the rule so that it should be at their own expense.

PH explained that National Grid NTS need to assess the impact of removing the rule. If the system can support the rule being removed then they need to understand any investment cost on the NTS against the DNs investment to support the rule.

It was challenged that DNs could continue with the status quo.

FH explained that there were many rules, which exist within the UNC, which NTS are able to relax and accommodate deviations to the rules when conditions allow and subject to specific request. The rules are there to protect the system in times of high demand. To remove the rule National Grid NTS need to establish the cost of any potential investment needed to protect the system.

DA believed that the response given by National Grid NTS was not justification for not removing the rule. It was challenged that if any party wished to undertake their own analysis on the potential impacts of a modification, that party should fund the costs of the analysis required. It was challenged that National Grid NTS ought to consider if they want to undertake this analysis to back up their argument not to remove the rule. The cost of this analysis needs to be considered by NTS and if they believe it would be worthwhile to have this analysis to support not removing the rule, National Grid NTS should fund the analysis.

LH wanted to analysis undertaken as evidence to be provided to support or oppose the modification.

TD argued that if National Grid NTS decide not to provide evidence on the impacts to the NTS, this should not prevent the modification proceeding through the process. It was in their interests to undertake the analysis and this was in line with the expectation that parties fund their own analysis in the modification process.

PH believed the analysis was required and enquired about having an extension to the development of the modification. He suggested that NTS need to draft a scope of analysis and this needed to be agreed with DNs.

TD explained that the UNC Panel had already given the Workgroup the maximum six months. He was keen to start drafting the Workgroup Report and

for the Workgroup to consider the required legal text changes to enable a report to be presented to Panel.

It was suggested if National Grid NTS wish to provide a case to the Panel to request an extension this can be presented to panel for consideration but an extension may or may not be granted on the provision of requiring evidence and that Ofgem may object to an extension. It was noted that National Grid NTS had six months to consider the impacts of removing the rule and have not provided evidence of the impacts.

RCH explained that the legal text for the modification would be fairly simple to remove the rule.

It was the intention of the Workgroup to complete the Workgroup Report in time for the June Panel.

### 3.0 Any Other Business

None raised.

### 4.0 Diary Planning for Review Group

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

Meetings will take place within the business proceedings of the Offtake Arrangement Workgroups:

21 May 2012, 31 Homer Road, Solihull, B91 3LT

**Workgroup - Action Table**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0002	18/01/12	2.0	GDNs to review known breaches the action taken or could have been taken to avoid the breach.	All GDNs	Closed
0003	18/01/12	2.0	Workgroup to ascertain the potential consequence on LDZ connected consumers (including any evidence) in relation to the rule and discrimination.	Workgroup	Closed
0008	19/03/12	2.0	NTS to provide a version of the graph presented to each DNO with their specific LDZ offtakes identified.	National Grid NTS (PH)	Complete