

**UNC Workgroup 0426 Minutes  
Amendment to the NTS System Entry Overrun Charge**

**Thursday 02 August 2012**

**31 Homer Road, Solihull B91 3LT**

**Attendees**

Tim Davis (Chair)	(TD)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Antony Miller	(AM)	Centrica Storage
Charles Ruffell	(CR)	RWE npower
Chris Wright	(CW)	Centrica
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JC)	SSE
Julie Cox	(JCx)	Energy UK
Mike Wassell	(MW)	National Grid NTS
Natasha Ranatunga	(NR)	Ofgem
Richard Fairholme	(RF)	E.ON UK
Rhys Ashman	(RA)	National Grid NTS
Steve Pownall	(SP)	National Grid NTS

Copies of all papers are available at: [www.gasgovernance.co.uk/0426/020812](http://www.gasgovernance.co.uk/0426/020812)

**1.0 Review of Minutes and Actions**

**1.1 Minutes**

The minutes of the previous meeting were approved.

**1.2 Actions**

**0426/003:** Cost Reflectivity – All parties to give this aspect further consideration and forward any views/suggestions to the Joint Office for inclusion in the draft Workgroup Report.

**Update:** National Grid NTS had provided views, and these had been incorporated in the Workgroup Report. No one present had any additional views or suggestions to add.

**Closed**

**2.0 Completion of the Workgroup Report**

The draft workgroup report was reviewed, focusing on the relevant objectives, the implementation costs and implementation date.

Relevant Objectives. CW remained concerned that the issues raised by Ofgem when rejecting Modification 0119 had not been addressed, notably regarding a lack of cost reflectivity. NR agreed that further justification would prove beneficial in demonstrating why this modification is different to 0119.

MW confirmed that National Grid NTS believe they have provided a full justification for the modification, with the basis of the proposed overrun charge

being consistent with the views set out by Ofgem in their decision for Modification 0341 “Manifest Errors in Entry Capacity Overrun”.

Impacts and Costs – GJ questioned the principle behind the proposed application of User Pays charges to Shippers. Not charging parties that overrun is counter intuitive to the principle behind User Pays – it implies charging only those that do not use the service. MW noted that parties had requested a simple approach, and this had been put forward. While recognising this may be appropriate for low cost changes, GJ emphasised that this should not be regarded as a precedent.

Implementation – it was noted that it was not envisaged that the modification would be implemented (subject to Ofgem approval) before any system changes were ready. The Workgroup agreed the section of the Workgroup Report regarding implementation, which reflected discussions on the low materiality of the modification relative to the implementation cost. NR added that Ofgem would welcome Shipper views as part of the consultation process.

TD advised that the Workgroup Report would now be submitted for the consideration at the meeting of the August Modification Panel.

### **3.0 Diary Planning for Review Group**

No further meetings required.

**Action Log – Workgroup 0426**

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
003	05/07/12	2.0	Cost Reflectivity - give this aspect further consideration and forward any views/suggestions to the Joint Office for inclusion in the draft Workgroup Report.	ALL	Closed