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**UNC Workgroup 0440 Minutes**  
**Project Nexus – iGT Single Service Provision**  
**Friday 06 December 2013**  
**at Energy UK, Charles House, 5-11 Regent Street,**  
**London SW1Y 4LR**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Adam Pearce	(AP)	ES Pipelines
Alan Raper	(AR)	National Grid Distribution
Andy Miller	(AM)	Xoserve
Anne Jackson	(AJ)	SSE
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Dave Mitchell	(DM)	Scotia Gas Networks
Elaine Carr*	(EC)	ScottishPower
Gethyn Howard*	(GH)	GTC
Kristian Pilling	(KP)	SSE
Lorna Lewin	(LL)	DONG Energy
Stephanie Shepherd	(SS)	RWE npower
Steve Ladle	(SL)	Gemserv
Tabish Khan	(TK)	British Gas

\* via teleconference

A copy of all presentation materials can be found at: [www.gasgovernance.co.uk/0440/181113](http://www.gasgovernance.co.uk/0440/181113)

The Workgroup's report is due to be submitted to the UNC Modification Panel on 16 January 2014.

**1. Introduction**

BF welcomed all to the meeting.

**1.1 Review of Minutes**

The minutes of the previous meetings on 18 and 19 November 2013 were accepted.

**1.2 Review of Actions**

**0440 11/01:** Xoserve (AM) to look to re-word the cost benefits report to reflect an industry, rather than a specific modification, perspective (inc. potential licence condition considerations).

**Update:** AM advised that a revised cost benefits report had been published on the Joint Office web site and would be discussed under item 2. below. **Closed**

**0440 11/02:** iGTs to consider the legal text and provide any additional comments they have by 06 December meeting.

**Update:** CW advised that three parties had sent in their comments on the proposed legal text, of which only one party now has outstanding issues to be resolved. He went on to add that a presentation outlining these issues would be discussed under item 2. below. GH advised that he would be happy for his outstanding comments to be published on the Joint Office web site. **Closed**

## 2. Workgroup Report

### Modification 0440 Project Nexus iGT Single Service Provision – Cost Benefit Report

AM advised that his latest round of changes had now moved the report away from being a modification specific (UNC 0440/iGT039) report to being a more industry centric one. (i.e. aimed at a broader subject area).

When asked, parties indicated that they were happy with the scope of the report.

AM then explained that the remaining changes are subtle refinements to reflect the reports wider view.

It was agreed that the report should be appended to the Workgroup Report prior to its submission to the UNC Panel and also published as a separate document in its own right on both the Joint Office and iGT web sites.

### Legal Text Development – Progress Update

CW advised that he had literally just received the latest version of the various legal text documents, prior to the meeting. He then requested that the Workgroup undertake a quick review of the various amendments to the legal text with a view to looking at it in more detail at the 13 December meeting.

During the brief review of the documents provided, AJ highlighted some inconsistencies in the way the legal text is presented and suggested that it would be beneficial to see all documents clearly change marked.

The Workgroup then went on to consider the timing of its WGR to Panel with some parties believing that a request to extend the report deadline by one month through to February (currently January) would be helpful in enabling due consideration of the legal text – it was also suggested that another alternative could be to prime the December Panel to the fact that the WGR would / could be presented as a *short notice item* for the January meeting.

In considering how both UNC 0440 and iGT039 are expected to progress through the process (i.e. their respective timelines), AM advised that keeping 0440 on track would enable Xoserve to be reasonably confident in commencing the system build. It was noted that Ofgem have previously stated that they would be happy to review both modifications individually. It was suggested that obtaining a written (minded to) view from Ofgem on these two modifications would really help Xoserve to manage their risk and push forward on the system design and development. Some parties suggested that if the Transporters are reasonably happy with the progress being made, then surely Xoserve could take comfort from that fact and get on with doing the system design aspects, this was generally acknowledged in the meeting.

CW advised that he would hold off amending the modification until such a time that all the outstanding legal text issues had been resolved.

### Review of G Howard's Legal Text Comments Document

GH explained that at this time he had not had a chance to really discuss Denton's feedback on his comments with his legal colleagues.

The main focus of the debate looked at paragraph 1.1.2(e) comments, and some discussion took place over whether or not the iGT UNC should point to a copy of the Annex B-1 table within the IGTAD. It was also noted that any changes to the table would be via a UNC Modification.

Moving on, CW indicated that he would be double checking the status of paragraphs 1.2.3 and 1.2.4 with Dentons in due course, whilst GH advised that he would be reviewing 1.3.3 with his lawyers.

Attention then moved on to considering paragraphs 2.2.3, 2.3.1 and 2.4.2 as there remains some real concerns around the question of Nested CSEPs and potential downstream issues as placing the liabilities of the 'lead' iGT is felt by some to be a harsh approach – some parties however, see this as an ideal opportunity to promote a self policing style regime around their respective contractual arrangements by the iGTs as it is felt that they (the iGTs) need to take responsibility for any potential max AQ breaches that might occur. AP suggested that this was one area that the iGTs would need to consider. AM also pointed out that Xoserve will have suitable data to enable them to inform ALL hierarchical Nested CSEP parties in the event of a potential breach – it is not thought to be an IGTAD related issue. A new action was placed on the iGTs to consider the matter of Nested CSEPs and the role of the 'lead' iGT and provide a view at the 13 December meeting.

CW suggested that a teleconference meeting between National Grid Distribution, Xoserve and the iGTs (including legal parties) may prove beneficial in 'bottoming out' some of the outstanding issues.

**Action 0440 12/02: iGTs to consider the matter of Nested CSEPs and the role of the 'lead' iGT and provide a view at the 13 December meeting.**

Workgroup Report Consideration and Development

Before commencing on the review of the draft Workgroup Report (v0.2, dated 21 November 2013), BF pointed out that it had been prepared based on the latest amended modification (v2.0, dated 26 November 2013), as published on the Joint Office web site.

During an onscreen review attention was focused on 'Why Change', 'Solution', 'User Pays' and 'Relevant Objectives' aspects during which BF reminded those present that this is seen as an enabling modification that would facilitate enhanced communications processes between Shippers and the iGTs. AR also pointed out that National Grid Distribution, do not see this as a licence compliance style modification.

At this juncture it was agreed to allow parties more time to consider the relevant objectives (and other aspects of the WGR) before once again reviewing the document at the 13 December meeting.

**3. Any Other Business**

None.

**4. Diary Planning**

The following meetings are scheduled to take place:

<b>Programme</b>	<b>Date</b>	<b>Venue</b>
Workgroup Report	Friday 13 December 2013, at 10:30	Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR

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**Action Table**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
0440 11/01	18/11/13	2.0	To look to re-word the cost benefits report to reflect an industry, rather than a specific modification, perspective (inc. potential licence condition considerations).	Xoserve (AM)	<b>Closed</b>
0440 11/02	18/11/13	2.0	iGTs to consider the legal text and provide any additional comments they have by 06 December meeting.	iGTs	<b>Closed</b>
0440 12/02	06/12/13	2.0	To consider the matter of Nested CSEPs and the role of the 'lead' iGT and provide a view at the 13 December meeting.	iGTs	