
UNC Workgroup 0440 Minutes
Project Nexus – iGT Single Service Provision
Tuesday 16 July 2013
at Consort House, 6 Homer Road, Solihull B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	(MB)	Joint Office of Gas Transporters
Adam Pearce	(AP)	ES Pipelines
Alan Raper	(AR)	National Grid Distribution
Alex Ross-Shaw*	(ARS)	Northern Gas Networks
Anne Jackson	(AJ)	SSE
Carl Whitehouse	(CW)	first utility
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Dave Mitchell	(DM)	Scotia Gas Networks
Elaine Carr*	(EC)	ScottishPower
Erika Melen	(EM)	Scotia Gas Networks
Gethyn Howard	(GH)	Inexus
Grahame Neale	(GN)	National Grid Distribution
Joel Martin*	(JM)	Scotia Gas Networks
Jonathan Kiddle	(JK)	EDF Energy
Julie Varney*	(JV)	National Grid Transmission
Lorna Lewin	(LL)	DONG Energy
Mike Payley	(MP)	Xoserve
Stephanie Shepherd	(SS)	RWE npower
Steve Ladle	(SL)	Gemserv
Tim Davis*	(TD)	Joint Office of Gas Transporters

* via teleconference link

A copy of all presentation materials can be found at: www.gasgovernance.co.uk/0440/160713

1. Introduction

BF welcomed all to the meeting.

1.1 Review of Minutes

The minutes of the previous meeting were accepted.

1.2 Review of Actions

0440 01/01: In respect to the ITAD and specifically the iGT framework agreement versus iGT UNC definitions, National Grid Distribution (CW) agreed to double check the actual meanings behind the various statements with the legal team.

Update: CW advised that whilst work remains ongoing, he asked parties to note that the lawyers have decided to change the name from ITAD to iGTAD. Furthermore, they are also seeking to harmonise the wording throughout the document. (i.e. definitions etc.). **Carried Forward**

0440 06/01: All parties to provide their views on the UNC Modification Rules and UNCC proposals document at the next meeting.

Update: Please refer to item 2.0 below. **Closed**

0440 06/02: National Grid Distribution (CW) to provide a copy of the CSEP NExA Annex A to Gemserv (SL) for him to distribute to the iGT UNC parties for their views and eventual sign off of the changes undertaken to the document.

Update: CW explained that there had been a slight delay in progressing this matter whilst awaiting Xoserve double-checking of the associated file formats. Once this is complete he would pass on a copy of the CSEP NExA Annex A on to Gemserv (SL) hopefully in time for consideration at the next meeting. **Carried Forward**

2. Discussion

BRD for Project Nexus iGT Agency Service (v1.4, dated 02/07/13) review

Opening, MP advised that the BRD had been amended to reflect the discussions undertaken at the last Workgroup meeting – the main changes being to Sections 6.1, including the addition of three new sub paragraphs (6.1.18, 6.1.19 and 6.1.20). An additional clarification note has also been added into paragraph 8.6.2.

When asked, MP agreed to further amend the (new) text in paragraph 5.1.2 to ensure it clearly identifies the correct accession hierarchy.

A new action was then placed against all parties to review the BRD and provide any comments/feedback by no later than 30/07/13 whereupon, and subject to no adverse comments being received by either Xoserve or the Joint Office, Xoserve would 'baseline' the BRD.

New Action 0440 07/01: All parties to review the Project Nexus iGT Agency Service BRD (v1.4, dated 02/07/13) and provide any comments/feedback by no later than 30/07/13, where upon (and subject to no adverse comments being received) the intention would be to 'baseline' the BRD.

Uniform Network Code – Modification Rules presentation

CW explained that the modification rules are being amended to take into account that it is envisaged that in future the UNC iGT Panel representative would have a voting role (currently it is a non voting role).

During an onscreen review of the proposed amendments, several points were raised such as whether or not a (UNC) defined term for a UNC Operator is required.

In discussing the proposed voting arrangements for the UNC Panel (paragraph 3.2), concerns were voiced by JV on behalf of National Grid Transmission that this could be seen to 'imbalace' the voting, as the worry is that iGTs would be more likely to align their vote with the DNs under certain conditions. Responding, CW suggested that this was not necessarily a view shared by National Grid Distribution, as they believe the iGT representative would increase the diversity of Panel voting membership. CW went on to indicate that he would be happy to provide a high-level overview of the proposed changes to the Modification Rules to the Governance Workgroup and invite interested parties to become involved in the 0440 Workgroup proceedings.

Moving on to look at paragraph 3.2.3, TD suggested that it may be beneficial to provide a definition for 'Independent Gas Transporter' whilst CW suggested that we should perhaps consider completely removing the iGT reference in this paragraph as the paragraph relates to non voting members.

In considering paragraph 9.6 – Legal Text for Modification 0440, CW advised that at this time there are no plans to seek legal text provision from the iGTs. However, as with any other party, they may want to provide Suggested Text should they wish to raise a modification.

Whilst other subtle changes were suggested, the main discussion then focused on the possible constitutional requirements for a ITAD UNCC sub-committee – the proposal being a 5:5 iGT / Transporter split – the only potential issue being whether or not the iGTs could field 5 voting members. TD was keen to point out that this (new) sub-

committee would/could have separate voting arrangements to the UNCC constitution. CW agreed to discuss the new sub-committee 'voting parity' issues with GH offline. GH agreed to undertake a new action to double check with his iGT colleagues as to whether or not they would be able to provide 5 members on the new ITAD sub committee.

New Action 0440 07/02: Inexus (GH) to double check with his iGT colleagues as to whether or not they would be able to provide 5 members on the new ITAD sub committee.

Transporters Framework Agreement presentation

AR explained the rationale that sits behind the document as being essentially a matrix of bi-lateral agreements between parties 'covered' by the over arching governance of the UNC.

During a brief on-screen review and discussion during which several small amendments were suggested, it was noted that the various DN contact details (on page 1) would be updated in due course. CW suggested that perhaps providing a form of matrix that identifies what documentation parties would be expected to sign could prove beneficial – to this end he will discuss with the lawyers and feedback at a later meeting.

It was also suggested that provision of a list which identifies all iGT Licence holders may prove beneficial and that perhaps the AIGT could be tasked with sourcing such a list.

CSEP Daily Meter Reading presentation

CW provided a brief overview of the presentation by firstly advising that discussion around this presentation and potential regime changes is also taking place within the Distribution Workgroup arena. The presentation itself follows on from the initial high-level discussions and now seeks to drill down to a greater level of detail.

CW moved on to explain that whilst the iGT CSEP NExA Annex A part 13 is not a widely available publication, he could provide a copy to anyone wishing to obtain one.

In considering the 18 DM CSEPs that presently reside on the (Xoserve) unique sites portfolio (which will subsequently fall under Project Nexus provisions), JM suggested that some of these may be related to metered CSEPs – CW agreed to double check and amend the presentation accordingly.

Moving on to discuss the provisions for iGTs to ensure suitability of Meter/rights of access etc., through iGT UNC arrangements with the Shipper, GH voiced concern that this could potentially be seen as a very large piece of work. Responding, CW suggested that so long as the iGT UNC has made provision for it, he does not see this as being too onerous a task. In recognising that the CSEP NExA's are potentially an archaic arrangement, AR suggested that there is an opportunity to potentially streamline the future contractual arrangements especially bearing in mind that Project Nexus is proposing significant changes in this area as well. GH advised that he would feedback the points discussed to the next AIGT meeting and thereafter provide feedback on their views at the next 0440 Workgroup meeting.

When asked how this matter would be progressed, CW advised that he anticipates providing draft ITAD legal text for discussion at the next Workgroup meeting that would then need to be considered by the iGT039 (i.e. what changes may be required including any reciprocal iGT UNC changes required and potential UNC/iGT UNC overlaps along with consideration of where read obligations would sit in future). He expects that the draft legal text would be ready in approximately 2 to 3 weeks time.

iGTAD Section B presentation

Opening, CW explained that the document had been developed with the help of Denton lawyers and takes into consideration the LDZ CSEP NExA provisions in the development of the document. He went on to point out that this is simply an initial draft document and as such, contains several outstanding questions / issues that would need to be resolved in due course.

During a brief discussion, it was suggested that it might be better to change the current reference for 'AIGTS AQ' to 'Maximum AQ'. When asked why the CSEP Connection Arrangements (paragraph 1.2.1) are not being included within the UNC, GN responded by advising that document is basically seeking to differentiate between CSEP specific DN provisions and the more general DN provisions. In acknowledging the point, AR suggested that a more consolidated, rather than bi-lateral style, approach could be considered – it short, it boils down to how much effort the Workgroup wants to expend now.

In considering that paragraphs 1.3.1 and 1.3.2 suggest a 'top down' approach, GH voiced his concern that this could potentially leave the iGTs exposed to the effects of Nested CSEPs and wondered whether or not a 'bottom up' approach would be better – a clear consensus view was not reached on this point at this time.

As far as paragraph 2.2.2 was concerned, GN suggested that this caters for potential (future) CSEP growth predictions and requirements.

Moving on to discuss paragraph 4.1 – Offtake Rates, GH enquired as to whether or not this is an accurate reflection of the current CSEP NExA provisions as it looks somewhat 'alien' to him.

When considering the IGTS Shrinkage proposals, CB felt that this was possibly not something that needed to be considered within this Workgroup as it should be out of scope, whilst CW believes the opposite to be true and is mindful of the fact that Ofgem would/could be unhappy should the modification not consider the matter. He pointed out that it is not simply a case of 'lifting and shifting' current LDZ CSEP NExA provisions. Several parties present suggested that seeking a view from Ofgem on this matter would be beneficial, as they believe including items such as this within the modification runs the risk of the modification being rejected. AR suggested that perhaps a pragmatic approach would be for the modification to highlight the fact that a (material) issue exists and would need subsequent consideration in future – it is highlighted within this document to ensure that we accurately reflect the current LDZ CSEP NExA provisions.

CW indicated that following these ongoing discussions, he now intends to update the document and would be seeking to discuss the matter in more details at the next meeting.

When asked, CW advised that he would/could provide copies of the latest ITAD and UNC Section documents and agreed to undertake a new action to do so and to also provide a table of contents for the legal text documents.

New Action 0440 07/03: National Grid Distribution (CW) to provide copies of the latest ITAD and UNC Section documents including a table of contents for the (various) legal text documents.

3. Any Other Business

Amendments to LDZ CSEP NExA Annex A only

CW explained that any party to the UNC could propose a change to the LDZ CSEP NExA Annex A.

He asked parties to note that the process does not simply revolve around the raising of a UNC modification (in accordance with UNC TPD Section J), but also requires the iGTs to approve the proposed changes – hence the move towards the iGTAD (ITAD) as this would be a much simpler process.

Proposed Workgroup Reporting Date Change

CW suggested that the Workgroup should consider seeking a one-month extension (to October 2013) to its reporting deadline to better align with the proposed requests for Project Nexus related modifications 0432, 0434 and 0453 – it was noted that this would/could have a potential 'knock on' effect on iGT039 development.

Role of Self-Governance Modification Route Post Implementation of 0440

During a brief debate, CW pointed out that post implementation of 0440, the question of whether or not a modification satisfies the self-governance criteria would (still) boil down to materiality considerations, with each modification being judged on its own merits.

iGT039 Update

GH advised that he expects that at a future meeting of iGT039 Workgroup, the iGTs would be looking at funding aspects amongst other items.

4. Diary Planning

The following meetings are scheduled to take place:

Title	Date	Location
iGT039 / 0440 Workgroups	23/08/2013	to be confirmed
0440 Workgroup	17/09/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull. B91 3QQ.
0440 Workgroup	02/10/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull. B91 3QQ.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0440 01/01	31/01/13	2.0	In respect to the ITAD and specifically the iGT framework agreement versus iGT UNC definitions - to double check the actual meanings behind the various statements with the legal team.	National Grid Distribution (CW)	Update to be provided in due course. Carried Forward
0440 06/01	10/06/13	2.	To provide their views on the UNC Modification Rules and UNCC proposals document at the next meeting.	All	Update provided. Closed
0440 06/02	10/06/13	3.	To provide a copy of the CSEP NExA Annex A to Gemserv (SL) for him to distribute to the iGT UNC parties for their views and eventual sign off of the changes undertaken to the document.	National Grid Distribution (CW)	Update to be provided in due course.
0440 07/01	16/07/13	2.	To review the Project Nexus iGT Agency Service BRD (v1.4, dated 02/07/13) and provide any comments/feedback by no later than 30/07/13, where upon (and subject to no adverse comments being received) the intention would be to 'baseline' the BRD.	All	Update to be provided in due course.
0440 07/02	16/07/13	2.	To double check with his iGT colleagues as to whether or not they would be able to provide 5 members on the new ITAD sub committee.	Inexus (GH)	Update to be provided in due course.
0440 07/03	16/07/13	2.	To provide copies of the latest ITAD and UNC Section documents including a table of contents for the (various) legal text documents.	National Grid Distribution (CW)	Update to be provided in due course.