
UNC Workgroup 0440 Minutes
Project Nexus – iGT Single Service Provision
Monday 18 November 2013
at Consort House, 6 Homer Road, Solihull B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andy Miller	(AM)	Xoserve
Andrea Bruce*	(AB)	ScottishPower
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Elaine Carr*	(EC)	ScottishPower
Jon Dixon*	(JD)	Ofgem
Jonathan Kiddle	(JK)	EDF Energy
Kristian Pilling	(KP)	SSE
Lorna Lewin	(LL)	DONG Energy
Robert Cameron-Higgs	(RCH)	first utility
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

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 meeting were accepted.

1.2 Review of Actions

0440 10/02: With regard to UNC TPD Section J 1.4.7 – Wales & West Utilities (RP) to provide examples of issues where ISEPs within CSEPs might be connected at different pressure tiers and should they be connected together may cause problems for the DNO for the prediction of flows and pressures.

Update: In the absence of RP, CW provided a brief review of the 'Connected Systems, CSEPs and ISEPs' document and explained that it is intended to discuss the matter in more detail during a review of the IGTAD document at the 19 November 0440 dedicated legal text review meeting, including seeking agreement on the high-level principles.

In considering the various examples provided, CW confirmed that in the case of example 2, you could envisage more than one iGT being involved.

Some of the main thoughts behind rejecting example 3, relate to potential gas pressure issues, and concerns relating to the reconciliation and allocation of gas as well.

As far as example 4 is concerned, not only are there potential gas reconciliation concerns, but also issues associated with potential LDZ boundary crossings etc. It was recognised that if there was only one main involved then this would in fact be a 'nested CSEP' which would be acceptable in that case. DM advised that Scotia Gas Networks had historically seen very few engineering proposals of this nature – in every case, these had been rejected on the grounds that such a solution would make load balancing almost impossible for modelling purposes, whilst it could also invoke gas velocity related issues. Additional concerns around the potential for two iGTs to flow gas between themselves also potentially make this example unmanageable. It was suggested that obtaining an accurate assessment of what physically is out there would/could prove beneficial.

There was a short debate over whether or not this is actually an engineering and technical standards issue, rather than a legal text issue, with the views of those present remaining divided.

It was agreed that further consideration would be given to this matter at the 19 November dedicated legal text review meeting where the input from legal representatives would be sought. **Carried Forward**

0440 10/03: With regard to IGTAD Section B, Annex B-1 AQ Calculation Table – National Grid Distribution (CW) to review requirement to include an 'Effective from...' date and, if necessary, which date should be applied and how this might affect the validity of the information.

Update: It was agreed that further consideration would be given to this matter at the 19 November dedicated legal text review meeting where the input from legal representatives would be sought. **Carried Forward**

0440 10/04: With regard to IGTAD Section H 1.2 Subsidiary Documents – National Grid Distribution (CW) to clarify what potential change processes (for modification/amendment) are anticipated for any such documents.

Update: It was agreed that further consideration would be given to this matter at the 19 November dedicated legal text review meeting where the input from legal representatives would be sought. **Carried Forward**

2. Workgroup Report

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

AM provided a high level overview of the document and started by advising that it has now been amended to become 0440 specific following discussions at earlier meetings.

The reference to 'agency services' contained within the Executive summary on page 1, refers to both a UNC 0440 and iGT039 provision.

Moving on to focus on the identified benefit values, AM confirmed that in the 1st year, both the one off and annual would potentially be accrued – it should be noted that the estimates air on the conservative side due to being based on the 'big 6' organisations responses only.

As far as the note on page 3 was concerned, AM advised that this had been copied and pasted from the Modification 0432 and 0434 consultation reports. Additionally, the written responses list on page 4 does not include any information that may have been provided within the (commercially sensitive) responses provided directly to Ofgem.

In considering whether or not Modification 0440 could be implemented without / prior to iGT039, a great deal of debate over where the cost benefits report should sit took place, with views divided between being set against Modification 0440 or iGT039 backdrop. In acknowledging the fact that both modifications are interlinked, JD also advised that work on the iGT Licence changes remains ongoing and should not be

seen as being a potential barrier to progressing (and ultimately approving/rejecting) either modification.

It was suggested that trying to ‘pick out’ Modification 0440 or iGT039 cost and benefit elements would prove extremely difficult. In the end, it was agreed that perhaps the cost benefits report would sit more comfortably as a ‘Industry’ document rather than being tied in to a specific modification, which would then be cross referenced by each modification. CW indicated that he expects to discuss the legal text implications of such a proposal at the 19 November dedicated legal text review meeting. A new action was assigned to Xoserve (AM) to look to reword the cost benefits report to reflect an industry perspective (inc. potential licence condition considerations).

Action 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).

Workgroup Report Consideration and Development

During an onscreen review of the draft Workgroup Report (v0.1, dated 11 November 2013), attention was focused on ‘Why Change’, ‘Solution’, ‘User Pays’ and ‘Relevant Objectives’ aspects.

CW advised that he intends amending the modification and is considering cutting and pasting the ‘User Pays’ statement from the 0432 and 0434 modifications into it, with the exclusion of the Gemini references.

In discussing the ‘Relevant Objectives’, some parties believed that there could possibly be objective a) and b) impacts whilst CW suggested that there could be some objective f) benefits associated to the removal of CSEP NExA’s (i.e. downstream benefits).

On a more general theme, it was acknowledged that the introduction of an iGT Panel voting members could/would provide industry engagement style benefits.

In discussion the proposed implementation dates, CW advised that he would also be considering changing these dates when he amends the modification, especially in light of the fact that he may request an extended the consultation window. JD also advised that Ofgem recognises that it may need to sign off Modification 0440 separately to iGT039, as iGT039 is the subject of proposed (iGT) licence changes.

It was agreed to conclude further consideration of the Workgroup Report at this meeting and await provision of the amended modification.

3. Any Other Business

None.

4. Diary Planning

The following meetings are scheduled to take place:

Programme	Date	Venue
Dedicated Legal Text Review Meeting – for information and education purposes	Tuesday 19 November 2013, at 10:30	Consort House, 6 Homer Road, Solihull B91 3QQ
Workgroup Report	Friday 06 December 2013, at 10:30	Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR
Workgroup Report	Friday 13 December 2013, at 10:30	Energy UK, Charles House, 5-11 Regent Street, London SW1Y 4LR

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0440 10/02	29/10/13	2.0	<i>UNC TPD Section J 1.4.7</i> - Provide examples of issues where ISEPs within CSEPs might be connected at different pressure tiers and should they be connected together may cause problems for the DNO for the prediction of flows and pressures.	WWU (RP)	To be discussed at 19/11 dedicated legal text review meeting. Carried Forward
0440 10/03	29/10/13	2.0	<i>IGTAD Section B, Annex B-1 AQ Calculation Table</i> - CW to review requirement to include an 'Effective from...' date and, if necessary, which date should be applied and how this might affect the validity of the information.	NG UKD (CW)	To be discussed at 19/11 dedicated legal text review meeting. Carried Forward
0440 10/04	29/10/13	2.0	<i>IGTAD Section H 1.2</i> Subsidiary Documents - CW to clarify what potential change processes (for modification/amendment) are anticipated for any such documents.	NG UKD (CW)	To be discussed at 19/11 dedicated legal text review meeting. Carried Forward
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)	Update to be provided.