

**UNC Workgroup 0440 Minutes**  
**Project Nexus – iGT Single Service Provision**  
**Friday 23 August 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
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andy Miller	(AM)	Xoserve
Andrea Bruce	(AB)	ScottishPower
Anne Jackson	(AJ)	SSE
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Mitchell	(DM)	Scotia Gas Networks
Gethyn Howard	(GH)	Inexus
Grace Smith	(GS)	RWE npower
Grahame Neale	(GN)	National Grid Distribution
Jon Dixon*	(JD)	Ofgem
Lorna Lewin	(LL)	DONG Energy
Martin Connor	(MC)	National Grid NTS
Naomi Anderson*	(NA)	EDF Energy
Paul Orsler	(PO)	Xoserve
Ruth Thomas	(RT)	National Grid Distribution
Steve Ladle	(SL)	Gemserv
Tabish Khan	(TK)	British Gas
Trevor Peacock	(TP)	Fulcrum

\* via teleconference link

A copy of all presentation materials can be found at: [www.gasgovernance.co.uk/0440/230813](http://www.gasgovernance.co.uk/0440/230813)

**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 IGTAD 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 suggested that whilst work remains ongoing, the action could now be closed as definitions were being reviewed as part of the development of legal text.

**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 whilst all the amendments to the CSEP NExA Annex A had been identified, the work had highlighted that some of the file formats provided by

Xoserve are out of date. The next exercise involves reconciling the amended file formats against the CSEP NExA to ensure they mirror actual system flows – it may necessitate the raising of a new UNC modification in due course. CW advised that he hoped to provide copies of the draft CSEP NExA in the near future. When asked whether or not provision of the draft CSEP NExA could coincide with vision of the new IGTAD, CW suggested that parties could be confident that there are in possession of the most up to date documentation at this point in time. **Carried Forward**

**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.

**Update:** BF advised that no adverse comments had been received to date and therefore the document had now been 'baselined' and published on the Joint Office web site at: [www.gasgovernance.co.uk/nexus/brd](http://www.gasgovernance.co.uk/nexus/brd).

Additionally, it should be noted that the document is now being utilised by Xoserve in the logical system analysis stage of the Project Nexus build. **Closed**

**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 IGTAD sub committee.

**Update:** GH advised that the iGT's have indicated that they could/would be in a position to support providing 5 members for the new IGTAD sub committee requirements, but only so long as they could utilise a proxy voting mechanism. **Closed**

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

**Update:** CW suggested that whilst work on the various legal text documents is close to completion, the action should remain open at this time to ensure that progress is tracked accurately. **Carried Forward**

## 2. Discussion

In opening discussions, CW provided a brief resume of progress to date on the development of legal text and explained that only a few issues remain unresolved at this time. In short, CSEP NExAs are to cease and iGT's will become parties to the UNC. He went on to highlight the fact that a dedicated (Project Nexus) legal text review meeting is scheduled to take place at Ofgem on 16 September to be followed thereafter by a workshop.

There then followed a short debate centred around whether or not UNC Modification 0440 should be split in to two components with some parties present believing that this would enable the governance and operational issues to be addressed in isolation, with the governance aspects being debated and considered within the UNC Governance Workgroup. BF reminded those present that the premise is that a modification should only be discussed within one workgroup especially when bearing in mind the fact that there is NO specific governance workgroup membership. Views remained divided with National Grid NTS keen to see the adoption of two UNC modifications with Modification 0440 looking at the operational aspects and a new modification looking at the governance requirements especially the UNC Panel membership and voting aspects. CW did not support this proposed approach on the grounds that it is a 'high risk strategy' whereby one or neither modification may be approved, plus he believes that this would introduce unnecessary delay. Furthermore, he pointed out that the UNC Panel voting aspects had already been heavily debated within previous workgroup discussions at which point the workgroup had reached a consensus view. BF pointed out that as Proposer of Modification 0440, National Grid Distribution (CW) are within their rights to continue on the chosen path for the modification and should anyone wish

to raise an alternative modification to address the concerns around potential UNC Panel impacts they are able to do so.

In the end it was agreed to assign two new actions as follows.

**New Action 0440 08/01: National Grid Distribution (CW) to provide an 0440 progress update to the 19 September Governance Workgroup meeting to highlighting the concerns raised around the governance and panel voting aspects.**

**New Action 0440 08/02: Joint Office (BF) to add a new agenda item covering 0440 governance concerns and thereafter write to the industry to invite participation in future 0440 Workgroup meeting(s).**

#### iGTAD Section B presentation

Opening, CW explained that following further work undertaken on this initial draft document only a few outstanding questions / issues remain to be resolved.

GN provided a brief overview of the amendments to the document during which the following key points were highlighted:

- *Paragraph 1.2 CSEP Connection Arrangements* – seeks to summarise high-level arrangements whilst building upon the current network provisions;
- *Paragraph 1.4 Responsibility of directly-connected Independent Gas Transporter* – several concerns voiced relating to obligations (i.e. for all parties and not just the lead iGT) for nested CSEPS and adoption of appropriate agreements between the lead iGT and any downstream (nested) iGTs. CW agreed to discuss further with the lawyers;
- *Paragraph 1.5 Miscellaneous* – a straight ‘lift & shift’ of current CSEP NExA provisions;
- *Paragraph 3.1 Connection Facilities* – caters for DNO or iGT ownership of offtakes, and
- *Paragraph 4 LDZ Capacity and Offtake Rates* – whilst the various legal teams have a better understanding of the requirements, work remains ongoing for the time being. It should be noted that it is anticipated that the LDZ Capacity (legal text) aspects would be removed over time.

It was also suggested that it might be prudent to keep abreast of the automatic updating of future AQ table discussions being undertaken elsewhere in the industry.

In concluding the discussion, CW asked all parties to review the document and provide their views (including AQ’s) as soon as possible as it is the intention to bottom out the changes at the next meeting.

#### Amendments to UNC TPD Sections (other than Section J) presentation

CW explained that the Section J amendments are being kept separate as they involve a significant amount of detailed changes, whilst the proposed amendments to Sections B through to F, are more subtle in nature.

In considering UNC TPD Section A changes and in particular CSEP Supply Meter Points, it was noted that the proposed amendments now better reflect Modification 0428 ‘Single Meter Supply Points’. Additionally, AP acknowledged that an iGT modification maybe needed in order to remove aggregated supply meter points from the iGT Code.

Moving on to consider the proposed changes to TPD Section G, CW suggested that the changes within this section are of the utmost importance. Focusing on paragraph 1.22.2, CW agreed to double check with the lawyers on what is actually meant by the term ‘Each Transporter.....’ (i.e. does this mean all Transporters). Thereafter, CW

also asked that those present to note the potential impact on the iGT to other party relationship(s).

As far as paragraph 5.8.3 is concerned, some questioned whether or not it should relate to the iGTs were raised - again CW agreed to check with the lawyers.

Before moving on to examine the proposed Section H amendments, AM pointed out that the principle is that in future the iGT UNC would point to the UNC (Rolling) AQ provisions in order to avoid dual governance issues where ever possible – it was suggested that further consideration of how the iGT UNC would actually point to the UNC is needed.

It was recognised that the main principle sitting behind the new paragraph 8 – IGTS Class 1 Supply Meters, is that it seeks to enshrine the CSEP NExA Annex 13 provisions within Code whilst paragraph 8.2.3 relates to Shipper responsibility.

#### iGTAD Section E – DMCSEP Supply Points presentation

Focusing attention on paragraph 2, CW advised that this seeks to reinforce daily meter read requirements whilst paragraph 2.1.3 is important due to the fact that in future the iGT UNC would need to have provisions included, in order to cater for this requirement.

It was suggested that paragraph 2.1.4 could highlight a potential tensions between iGT/DN/User obligations and relationships – CW agreed to double-check this with the lawyers.

Moving on to consider the provisions of paragraph 2.3.1, CW indicated that any feedback would be welcomed, although he would be checking why it had been included. Some parties believe that this may relate to load balancing and reconciliation processes and AM advised that he would be double-checking whether Xoserve currently sends out DM reads to the iGTs.

In considering paragraph 3.1.2(a), and as far as iGTS User is concerned, CW agreed to double check whether or not the iGT UNC definition for 'system' differs to that within the UNC.

When asked, CW also agreed to double-check what 'SPRO' refers to in paragraph 3.1.4.

When asked, CW confirmed that whilst the concept remains true in that these changes would all go in to the UNC as part of Project Nexus, a great deal of work would be needed to ensure that this takes place.

#### Uniform Network Code - iGTAD Section D – IGT Code Rules and Data Exchange presentation

Opening, CW explained that this is an initial draft and that it is vital that we get this right and acknowledged that adopting a consistent approach around descriptions within both Codes is of paramount importance.

CW suggested that as far as paragraph 2.1 was concerned, the iGTs would need to make sure that the iGT UNC is consistent with the UNC. SL observed that care would be needed in future to ensure that any UNC changes are suitably replicated within the iGT UNC and consideration around the mechanisms needed to do this is needed in due course. BF suggested, and some parties agreed that this is part of the reasoning behind introducing a (voting) iGT UNC Panel member. Supporting this point, CW suggested that the iGT lawyers would need to consider this issue as the aim should be to avoid dual governance conflicts where ever possible.

Some parties remained concerned around the potential practical and contractual aspects of these proposals, especially the role of the Transporter Agent in the provision of information etc., as the way the provisions are written at this time it would appear everything is going through the DN's Agent. Having said that, it was recognised

that there would be benefit in the iGTs undertaking another UNC 'mapping' exercise to ensure that future iGT UNC provisions remain appropriate. Some concern was also voiced around the potential erosion of iGT UNC modification cost benefits over time, although it was noted that this might be mitigated by utilisation of the iGT UNC short form code provisions – CW suggested that this is another consideration the iGT lawyers would need to undertake which may result in changes to the iGT UNC Modification Rules.

CW then advised that he planned to double-check iGT Licence obligations relating to maintaining CSEP NExA type provisions, whilst GH indicated that he would be discussing the issue of (future) iGT Licence considerations with Ofgem in due course.

In closing, CW suggested that, whilst accepting that there may be a few outstanding issues to address, he would seek to provide a complete set of Modification 0440 legal text documents in time for consideration at the 17 September meeting (including governance arrangement considerations). A dedicated Modification 0440 legal text review meeting would be arranged in due course.

When asked, BF confirmed that work on the 0440 Workgroup Report would commence once the legal text and cost benefits information had been provided – it is anticipated that further discussion around the (dual) governance issues would be undertaken at the 17 September meeting.

**3. Any Other Business**

None.

**4. Diary Planning**

The following meetings are scheduled to take place:

Title	Date	Location
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.

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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 01/01	31/01/13	2.0	In respect to the IGTAD 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 provided. <b>Closed</b>
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. <b>Carried Forward</b>
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 provided. <b>Closed</b>
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 IGTAD sub committee.	Inexus (GH)	Update provided. <b>Closed</b>
0440 07/03	16/07/13	2.	To provide copies of the latest IGTAD 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. <b>Carried Forward</b>
0440 08/01	23/08/13	2.	To provide a 0440 progress update to the 19 September Governance Workgroup meeting to highlighting the concerns raised around the governance and panel voting aspects.	National Grid Distribution (CW)	Update to be provided in due course.
0440 08/02	23/08/13	2.	To add a new agenda item covering Modification 0440 governance concerns and thereafter write to the industry to invite participation in future 0440 Workgroup meeting(s).	Joint Office (BF)	Update to be provided in due course.