

**UNC Workgroup 0501/0501A Minutes  
Treatment of Existing Entry Capacity Rights at the Bacton ASEP to  
comply with EU Capacity Regulations**

**Wednesday 08 October 2014**

**ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Ian Hollington	(IH)	Secretary
Alison Chamberlain	(ACh)	National Grid NTS
Andrew Corkhill	(ACo)	ENI
Anna Shrigley	(AS)	ENI
Antony Miller	(AM)	Centrica
Charles Wood	(CW)	Denton's
David McCrone	(DM)	Ofgem
David Tennant	(DT)	Denton's
Graham Jack	(GJ)	Centrica
Isabelle-Agnes Magne*	(IAM)	GDF Suez
Lesley Ramsey	(LR)	National Grid NTS
Lisa Martin	(LM)	Ofgem
Malcolm Montgomery	(MM)	National Grid NTS
Matthew Hatch	(MH)	National Grid NTS
Nick Wye	(NW)	Waters Wye
Richard Miller	(RM)	Ofgem
Richard Riley	(RR)	National Grid
<i>Simon Witter</i>	(SW)	<i>ENI</i>

*\*via teleconference*

*Copies of all papers are available at: <http://www.gasgovernance.co.uk/0501/081014>*

*The Workgroup Report is due to be presented at the UNC Modification Panel by 20 November 2014.*

**1. Introduction and Status Review**

**1.1 Minutes**

The minutes of the previous meeting were accepted following the changes that had been requested having previously been made.

**1.2 Actions**

**0901:** National Grid NTS/Denton to consider the scale back of transfers by the same proportions as the primary holdings is fully covered.

**Update:** MH advised that this was still under discussion with Denton's and asked for it to be carried forward. **Carried Forward**

## **2. Workgroup Report**

### **2.1 Summary Review of Modification Changes**

This item was not discussed.

### **2.2 Consideration of Legal Text**

Before covering the legal text for 0501A DT ran through the changes to Modification Proposal 0501.

DT explained the draft of the legal text for modification 0501A which mainly picked up the amended modification, some housekeeping issues and clarification of certain definitions. DT then ran through the text for Modification Proposal 0501A concentrating particularly on the elements of 0501A as it differs from 0501.

LM asked for clarification on parts of the document that contained text in square brackets and MH confirmed that the final version should not contain these. BF noted that the text should either be as complete as possible or attention should be drawn to this type of item.

LM asked about the potential for purchasing capacity in periods of a month and a quarter and DT confirmed that for the first eighteen months this will be dealt with in monthly blocks.

DT confirmed that the action that had been carried forward (0901) also had relevance to the legal text.

GJ congratulated the team on the work that had been done.

### **2.3 Development of Workgroup Report**

This was not discussed further at today's meeting

## **3. Next Steps**

This was not discussed further at today's meeting.

## **4. Any Other Business**

AM presented a proposed alternative modification, potentially to be called 0501B and outlined the main differences which are to provide users with the ability to return capacity (under certain conditions) which exceeds the amount the User applied for through the 'Bacton Capacity Reallocation Process' and for the user to have the right to return returnable capacity after National Grid makes a provisional final allocation. He asked the meeting for their concerns and feedback on the proposal.

SW expressed concerns about the loss of flexibility at Bacton. He expressed the view that ENI would not be able to support this proposal.

DMc outlined Ofgem's concerns which included the flexibility issue, the timing in regards to the reporting date for the associated proposals and the fact that a strong case would need to be developed to support the benefits of allowing capacity to be handed back.

These points were discussed and it was agreed that the best approach would be to put the proposed alternative forward to the Panel (acknowledging that from a governance process that this would already be late) and deal with any amendments later. BF confirmed that the modification would go to panel as a short notice item if they agreed to accept it.

NW asked if National Grid would be interested in adopting the Centrica Storage alternative proposal.. MH advised that the alternative proposals are fundamentally different to the National Grid Proposal because they allow capacity to be handed back. BF noted the points raised and advised that these would be taken into account in the representations that would be put to Panel through the consultation

process.

The timescales for the overall mod / Licence consultation and implementation were discussed and concerns were raised over the effects of the reporting, consultation and appeal periods and whether these would negate the need to rush to complete the report for the proposed alternative modification for the October panel. This discussion was against a background of waiting for the statutory consultation which is due to be published by Ofgem and the issues associated with the amendments to the licence., which may delay Ofgem from giving a timely decision on the Bacton split Modification Proposals. National Grid reiterated the original timeline that the workgroup was working too in that the 0500 / 0501 modification reports were to be issued to panel in November, for a consultation mid November to mid December, with Ofgem approval expected in February 2015. It was agreed that the early publication of the statutory consultation document was important as Users would need to understand where the new revised Baselines at the two new Bacton points were being proposed / set.. BF summarised the discussion as AM to raise the modification by Friday 10 October and for a request to be made to panel to accept it at short notice. LM to provide the workgroup with a timeline for the publication of the statutory consultation document.

**New Action 1001: LM to provide the workgroup with a timeline for the publication of the statutory consultation document.**

## 5. Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
Tuesday 21 October 2014	ENA, 6th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	Workgroups: 0500 and 0501 0501/0501A Workgroup Report completion
Wednesday 05 November 2014	ENA, 6th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF	Workgroups: 0500 and 0501 0500 Workgroup Report completion

### Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0901</b>	16/09/14	2.2	National Grid NTS/Dentons to consider the scale back of transfers by the same proportions as the primary holdings is fully covered.	National Grid / Dentons	<b>Carried forward</b>
<b>1001</b>	08/10/14	4	LM to provide the workgroup with a timeline for the publication of the statutory consultation document.	Ofgem (LM)	<b>Pending</b>

