

**UNC Workgroup 0553 Minutes**  
**Removal of National Grid LNG Storage UNC TPD Section Z**  
**obligations and associated cross references**  
**Thursday 03 September 2015**  
**Energy Networks Association, 52 Horseferry Road, London SW1P 2AF**

**Attendees**

|                       |       |                           |
|-----------------------|-------|---------------------------|
| Les Jenkins (Chair)   | (LJ)  | Joint Office              |
| Lorna Dupont          | (LD)  | Joint Office              |
| Anna Shrigley         | (AS)  | Eni                       |
| Charles Ruffell       | (CR)  | RWEST                     |
| Chris Hewitt          | (CHe) | National Grid NTS         |
| Colin Hamilton        | (CH)  | National Grid NTS         |
| David Reilly          | (DR)  | Ofgem                     |
| Fergus Healy          | (FH)  | National Grid NTS         |
| Gareth Davies         | (GD)  | National Grid NTS         |
| Gerry Hoggan          | (GH)  | ScottishPower             |
| Graham Jack           | (GJ)  | Centrica                  |
| Jeff Chandler         | (JC)  | SSE                       |
| Joel Martin*          | (JM)  | Scotia Gas Networks       |
| John Costa            | (JCo) | EDF Energy                |
| John McNamara         | (JMc) | National Grid NTS         |
| Julie Cox             | (JCx) | Energy UK                 |
| Kirsten Elliott-Smith | (KES) | Cornwall Energy           |
| Maggie Steven         | (MS)  | National Grid LNG Storage |
| Marshall Hall         | (MH)  | Oil & Gas UK              |
| Nick Wye              | (NW)  | Waters Wye Associates     |
| Phil Broom            | (PB)  | GDF Suez                  |
| Phil Hobbins          | (PH)  | National Grid NTS         |
| Richard Fairholme*    | (RF)  | E.ON                      |
| Steve Nunnington      | (SN)  | Xoserve                   |
| Terry Burke*          | (TB)  | Statoil                   |

\*via teleconference

Copies of all papers are available at: [www.gasgovernance.co.uk/0553/030915](http://www.gasgovernance.co.uk/0553/030915)

The Workgroup Report is due to be presented at the UNC Modification Panel on 15 October 2015.

**1.0 Outline of Modification**

LJ explained that the UNC Modification Panel was of the opinion that the criteria for Self-Governance are not met by this modification as it is expected to have a material impact on the transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes.

There were concerns that it may have unforeseen consequences and it had therefore been issued to Workgroup 0553 for assessment, with a report to be presented at the October 2015 Panel.

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Noting that the intent and purpose of this modification had been discussed at the previous Transmission Workgroup, MS briefly introduced the modification and explained the Solution.

## 2.0 Development of Workgroup Report

The draft Workgroup Report was reviewed.

The modification was not considered to be User Pays.

It was believed to facilitate relevant objective (f).

A paragraph numbering error had been identified in the legal text and this was to be amended.

### *General comments*

JCx believed there might be charging issues associated with UNC TPD Section Y, which contained references to short-range facilities. Following a brief discussion, it was suggested that this point (charging implications of Exit/Entry points no longer in the Licence) be raised for consideration at the next NTS CMF (29 September 2015). **Post Meeting Note:** *An addition has been made to the NTS CMF agenda.*

Although not contingent upon the intent/purpose of this modification it was suggested that wider consideration needed to be given to what happens each time a facility/site is withdrawn/closed/decommissioned, how it should be treated and what the impacts might be on revenue, charging, etc.

Responding to JM, MS noted that, of the Users at Avonmouth, Scotia Gas Networks (SGN) would be the only one left with some gas at the very end. It was recognised that this was difficult to manage. Any remaining gas belonging to SGN would go back to the Shipper community and be reallocated through Gemini. JM pointed out that an element of liquefaction cost would have been paid in respect of that gas and it was looking at the possibility of transferring that to an existing user of the site. It was believed that arrangements regarding any remnants were separate to the purpose of this modification.

JM pointed out that the impact on SGN was such that it constituted a loss of the ability to transfer gas into the next storage year. MS observed this was not an option that could be offered as the site was to be decommissioned by 30 April 2016. JM believed it to be a material impact on SGN, in effect removing SGN's rights to be reimbursed for costs incurred. This was discussed in greater detail, and it was concluded that the Proposer and SGN should give this further consideration, and that the Proposer should clearly explain and demonstrate in the modification how the flow of costs/revenues will be addressed/work at the point of Avonmouth's closure.

## 3.0 Next Steps

Following discussions with SGN, the Proposer will provide an amended modification and legal text will be revised as appropriate.

It was anticipated that the Workgroup Report would be completed at the next meeting (01 October 2015).

## 4.0 Any Other Business

None raised.

## 5.0 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   |
|--|--|---|
| Thursday 01<br>October 2015<br><i>(as part of the<br/>Transmission<br/>Workgroup's<br/>business)</i> | ENA, Dean Bradley House,<br>52 Horseferry Road,<br>London SW1P 2AF | <ul style="list-style-type: none"> <li>• Review amended modification</li> <li>• Review revised legal text</li> <li>• Complete Workgroup Report</li> </ul> |

### Action Table (03 September 2015)

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|------------|--------------|------------|--------|-------|---------------|
| -          | .            | -          | -      | -     | -             |