

**UNC Workgroup 0555R Minutes  
Review of the Market Operator (OCM) Provision  
Friday 26 February 2016  
via teleconference**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Adam Lane	(AL)	Centrica
Charles Ruffell	(CR)	(RWEST)
Christian Moger	(CM)	ICE Endex
Colette Baldwin	(CB)	E.ON
Darren Lond	(DL)	National Grid NTS
Egbert-Jan Schutte-Hiemstra	(EJ)	ICE Endex
Graham Jack	(GJ)	Centrica
Julie Cox	(JCx)	Energy UK
Laura Langbridge	(LL)	National Grid NTS
Lucy Manning	(LM)	Gazprom
Sirko Beidatsch	(SB)	PEGAS
Steve Nunnington	(SN)	Xoserve
Thomas Farmer	(TF)	Ofgem

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0555/260216>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 April 2016.

**1.0 Introduction**

BF welcomed all to the meeting, explaining that the main focus of the meeting was to review the draft Review Group Report, review progress made against the scope of the Request itself, and to agree the Workgroup's recommendation to the UNC Modification Panel.

**2.0 Review of Minutes (15 January 2016)**

The minutes of the previous meeting were approved.

**3.0 Workgroup Discussion**

**3.1. Consideration of the revised draft Review Group Report**

LL thanked everyone for their comments/contributions in the interim period, and explained that National Grid NTS had incorporated all feedback received to date from Workgroup members in the updated draft. LL then outlined the changes made to various sections.

*Review Group outputs* - These had been summarised to include the two main scenarios, noting that others had been considered and discounted.

*Review Group position* - This summarised that it was really difficult to quantify the benefits of each scenario. Both appear to increase costs (to varying degrees) compared to current arrangements. From an assessment of the relevant objectives it appeared that Scenario 2 had the most merit.

LL asked if the Review Group had any clear preference for one scenario over the other; no preference was expressed. It was suggested that both options should be reported on

for Ofgem to consider and perform further assessments as required.

The statement (final paragraph on page 2) was considered:

*“From the assessment of the Relevant Objectives and costs at this stage the Review Group feels that Scenario 2 has the most merit. However, this should be caveated with the general belief that this work should be followed by a Regulatory Impact Assessment to determine the magnitude of the benefits associated with the options.”*

LM, JCx and AB all agreed this approach. The Review Group agreed with the wording of the statement, and that no other changes were required to this section of the Report.

DL then drew attention to the changes made to the relevant objectives analysis (page 20), in response to feedback received on Scenario 3b. LM agreed the changes made were appropriate. No other comments were made, and it was agreed there was nothing further to be included in the Report, apart from the recommendation to the UNC Modification Panel.

### **3.2. Review Progress against the Scope of the Request**

The Review Group agreed that the scope of the Request had been addressed and met.

### **3.3. Review Group Recommendation**

No modification proposals were to be developed at this time. As previously discussed (at 3.1, above) the Review Group agreed with the statement, “*From the assessment of the Relevant Objectives and costs at this stage the Review Group feels that Scenario 2 has the most merit. However, this should be caveated with the general belief that this work should be followed by a Regulatory Impact Assessment to determine the magnitude of the benefits associated with the options.*” and considered that Ofgem may like to pursue this further to establish any benefits.

The Review Group recommended that its Report be submitted to the March UNC Modification Panel for its consideration.

## **4.0 Any Other Business**

None.

## **5.0 Outstanding Actions**

**0555 1103:** National Grid NTS (DL/LL) to provide an outline draft of a potential report built around the three questions, with costs, benefits and risks identified for each.

**Update:** Provided for review. **Closed**

## **6.0 Next Steps**

BF summarised that the Review Group’s discussions were now concluded, and that DL and LL will provide a final version of the Report, to include the Review Group’s recommendation, for publication and submission to the March UNC Modification Panel for its consideration.

In conclusion, DL and LL expressed their thanks to all who had participated in and contributed to these discussions, and their appreciation for all the support that had been extended through this process.

## 7.0 Diary Planning

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

No further meetings were required.

### Action Table (26 February 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0555 1103</b>	27/11/15	2.3	To provide an outline draft of a potential report built around the three questions, with costs, benefits and risks identified for each.	National Grid NTs (DL/LL)	<b>Closed</b>