

UNC Workgroup 0605S Minutes
Amendments to TPD Section K - Additional Methods to Procure and
Dispose of Operating Margins Gas
Thursday 06 April 2017
at Elexon, 350 Euston Road, London NW1 3AW

Attendees

Anna Shrigley	(AS)	Eni UK
Bob Fletcher	(BF)	Joint Office
Charles Ruffell	(CR)	RWE
Colette Baldwin	(CB)	E.ON
Colin Hamilton	(CH)	National Grid NTS
David Cox*	(DC)	London Energy Consulting
Gerry Hogan	(GH)	Scottish Power
Graham Dickson	(GD)	Interconnector UK
Graham Jack	(GJ)	Centrica
Irina Oshchepkova	(IO)	ENTSOG
Jeff Chandler	(JCh)	SSE
Karen Visgarda (Secretary)	(KV)	Joint Office
Lucy Manning	(LM)	Gazprom
Malcolm Montgomery	(MM)	National Grid NTS
Matthew Hatch	(MH)	National Grid NTS
Nick Wye*	(NW)	Waters Wye Associates
Phil Hobbins	(PH)	National Grid NTS
Rebecca Hailes (Chair)	(RH)	Joint Office
Sabah Hussain	(SHx)	Xoserve
Sean Hayward	(SH)	Ofgem
Steve Britton*	(SB)	Cornwall
Terry Burke	(TB)	Statoil

**via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0605/060417>

1.0 Introduction and Status Review

1.1. Review of Minutes (02 March 2017)

The minutes of the previous meeting were approved.

2.0 Amended Modification

PH provided an update of the modification, stating it had been raised to address the lack of flexibility relating to procurement and to enable National Grid NTS to access a wider range of OM gas trading sources to achieve more competitive prices for the benefit of the Shippers.

He explained during the February meeting there had been general support in principle for this modification, but that there were a few concerns raised in relation to potential Trading Errors on the Trading Desk, which had subsequently been raised in Action 0201. (see below for updated status and new action)

3.0 Completion of Workgroup Report

No further work was undertaken on the Workgroup Report within the meeting, as it was agreed an extension should be sought from UNC Panel until July 2017.

In light of the update provided for outstanding action 0201 below, a new action was subsequently raised regarding the production of Business Rules and Legal Text Reporting.

4.0 Review of Outstanding Actions

0201: National Grid NTS (PH) to clarify if any manifest/trading errors (shrinkage) have been apparent, to ascertain potential level of Operating Margins trading risk going forward.

Update: PH said that investigations had been undertaken in relation to any historical trading errors and confirmed only 5 shrinkage trading errors had occurred in the past 10 years. He further explained that in each of these cases, National Grid NTS was able to rectify the errors either at cost or with a marginal (~£50) gain / loss due to market movement, and so questioned if developing the modification further would be a worthwhile exercise for the industry. However, he did state that National Grid NTS did recognise the Shippers concerns regarding this area.

A general discussion took place and JCh, GJ, GH and CB all felt that regardless of the high percentage of accurate performance in the past, this did not provide any guarantees or assurances for possible trading errors in the future. It was subsequently agreed that a UNC Panel date extension should be sought until July (a report can be submitted to Panel earlier if the Workgroup is ready) and that this action could now be closed. **Closed.**

New Action 0401: National Grid NTS (PH) to apply for a Panel extension until July and to produce Business Rules and Legal Text Reporting.

5.0 Next Steps

RH confirmed that a UNC Panel extension would be sought until July and that National Grid NTS would produce a draft of the Business Rules and Legal Text for discussion at the next meeting in May. During this meeting, she said that the development of the Workgroup Report would also take place.

6.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Time/Date	Venue	Workgroup Programme
Thursday 04 May 2017	Exelon, 350 Euston Road, London NW1 3AW.	Standard agenda plus: <ul style="list-style-type: none"> Review amended modification / Business Rules/ Legal text Completion of Workgroup Report (if appropriate)

Action Table (as at 06 April 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0201	02/02/17	1.2	National Grid NTS (PH) to	National	Closed

			clarify if any manifest/trading errors (shrinkage) have been apparent, to ascertain potential level of Operating Margins trading risk going forward.	Grid NTS (PH)	
0401	06/04/17	4.0	National Grid NTS (PH) to apply for a Panel extension until July and to produce Business Rules and Legal Text Reporting.	National Grid NTS (PH)	Pending