

**UNC Workgroup 0621; 0621A; 0621B; 0621C; 0621D; 0621E; 0621F;
 0621G; 0621H; 0621J**

Amendments to Gas Transmission Charging Regime Minutes

10:00 Wednesday 12 April 2018

at St Johns Hotel, 651 Warwick Road, Solihull, B91 1AT

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Adam Bates	(AB)	National Grid NTS
Alex Nield*	(AN)	Storengy UK
Andrew Pearce	(AP)	BP
Anna Shrigley	(AS)	ENI
Charles Ruffell	(CR)	RWE
Charles Wood	(CWo)	Dentons (item 4.0 only)
Charlotte (Charlie) Friel	(CF)	Ofgem
Chris Warner	(CW)	Cadent
Christiane Sykes*	(CS)	Shell
Colin Williams	(CWi)	National Grid NTS
David Cox*	(DC)	London Energy Consulting Ltd
David Mitchell*	(DM)	SGN
Debra Hawkin	(DH)	TPA Solutions
Emma Buckton*	(EB)	NGN
Emma Lyndon	(EL)	Xoserve
Gerry Hoggan	(GH)	Scottish Power
Julie Cox	(JCx)	Energy UK
Kirsty Ingham	(KI)	ESB
Matthew Hatch	(MH)	National Grid NTS
Paul Toole*	(PT)	NGN
Paul Youngman*	(PY)	Drax
Pavanjit Dhesi*	(PD)	Interconnector UK
Penny Jackson	(PJ)	npower
Riccardo Rossi	(RR)	Centrica
Richard Fairholme	(RF)	Uniper
Richard Pomroy*	(RP)	Wales & West Utilities
Shiv Singh*	(SS)	Cadent
Wenche Tobiasson*	(WT)	Intergen
Will Webster*	(WB)	Oil & Gas UK

**via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0621/120418>

1.0 Introduction and Welcome

Rebecca Hailes (RH) welcomed everyone to the meeting.

Kully Jones (KJ) provided a brief presentation covering the proposed timetable for Workgroup 0621, the Workgroup Report and the Final Modification Report.

KJ explained that Joint Office have reviewed the 0621 Workgroup timetable agreed on 04 April 2018 and consider that there is insufficient time to undertake all of the work required to meet the 03 May deadline directed by Ofgem to produce the Workgroup Report.

She provided a revised timetable which includes additional meetings on 24 April, 26 April and 30 April to allow Workgroup more time to consider the analysis, legal text and develop the Workgroup Report.

She emphasised the need for a professional approach which will ensure transparency of process and enable an equal and fair opportunity for all Modifications to be considered fully with appropriate rigour.

She then took Workgroup through the proposed approach to the development of the Workgroup Report, highlighting that where agreement is not reached, Joint Office would include the following phrase in the Workgroup Report:

“Workgroup were unable to reach consensus in the timescales available”.

A proposed schedule of meetings was provided for the week beginning 23 April 2018 with proposed topic areas for discussion on each of the days.

She concluded by outlining the arrangements for handling the Final Modification Report, confirming that the Modification Panel had agreed at the February Panel meeting that Joint Office would only provide a summary table of representations. The table would show if a Modification was supported/opposed or received qualified support from the respondent. All representations would be published in full.

The following comments were made in discussion:

- a. Workgroup participants raised concerns about the approach, in particular the short timescales. They considered that there was insufficient time available in the schedule to review the analysis and little or no opportunity for subsequent review iterations that might result from discussion on 20 April.
- b. Workgroup recognised that National Grid’s licence obligation is driving the timetable. Joint Office stated that they had sought an extension from National Grid and Ofgem but there is no flexibility in the timetable. This means the Workgroup needs to complete the necessary work by 03 May 2018 and additional meetings have been added to the schedule to facilitate this.
- c. Julie Cox (JCx) raised discussion of the relevant objectives as a key element of development of the Workgroup Report and suggested that the approach needs to enable Workgroup to address each Modification in turn.
- d. In relation to the Workgroup report, rather than the suggested phrase “unable to reach consensus”, the Workgroup considered that an alternative form of wording may be needed for some areas to indicate that there had been insufficient time to give due consideration.

- e. Concern was raised about availability to attend all meetings of Workgroup 0621 due to meeting clashes. For example, a meeting of Distribution Workgroup is planned for 26 April and Workgroup 0630R on 27 April 2018.
- f. RH stated that Joint Office would explore with Panel whether an extension could be requested for completion of the Workgroup Report at the 19 April Modification Panel meeting.
- g. RH re-iterated that the final versions of amended alternative Modifications must be received by 5pm on Tuesday 17 April 2018 to support the actions which flow out of these documents (Legal text etc.). She also confirmed that National Grid is expecting proposers of alternative Modifications to provide analysis to support their own Modifications. Adam Bates (AB) confirmed that National Grid would provide models for similar Modifications to 0621 by Friday 13 April. The remaining bespoke models would be provided the week beginning 16 April 2018.
- h. JCx stated that the approach agreed for the Final Modification Report places the onus on panel members to read all the consultation representations to ensure they fully understand the issues.

2.0 Approval of Minutes

2.1. Approval of Minutes (28 March 2018)

The minutes from 28 March were approved.

3.0 Pre-Modification discussions

There were no pre-Modifications for discussion.

4.0 Initial consideration of 0621 Legal Text

Colin Williams (CWi) provided a very brief update on Modification 0641 version 4.0 (the current version published 06 April) at the start of the meeting. He explained that this is the new baseline version for the alternative Modifications to use. He highlighted two key changes from the draft that was presented and discussed on 04 April.

The first is a new section on Capacity Step Prices. The method to determine step prices remains the same but for the provision of capacity step prices used in the QSEC Auction, there will be an additional 5% of the applicable Reserve Price or 0.0001 p/kWh/Day, whichever is the greatest, per step.

The second, is in relation to the Entry Rebate Mechanism, currently this is a commodity-based charge. The modification proposes this to be a capacity-based rebate.

In response to a question from AN about the current thinking on entry capacity to storage, CWi confirmed that storage entry would qualify as a historical contract and that they would not be subject to recovery charges providing they were allocated up to and including the effective date of 31 May 2019 or earlier if Ofgem direct otherwise.

In addition, CWi responded to a subsequent question on what the effective date is, confirming that transfers that have been allocated up to that date will be included in the above treatment.

Charles Wood (CWo) from Dentons was then invited to provide a walkthrough of the legal text. Four papers had been provided in advance of the meeting and can be accessed here <https://www.gasgovernance.co.uk/0621/120418> :

- Modification 0621 – Draft legal text - Covering page
- Modification 0621 – Draft legal text - Annex A (Section B – System use and capacity)
- Modification 0621 – Draft legal text - Annex B (Section Y - Charging Methodologies)
- Modification 0621 – Draft legal text - Annex C (Transition Document Part IIC – Transition Rules)

CWo summarised the changes, explaining that a major part of the changes in Section Y include a complete new replacement section in Y to replace the charging methodology for Transmission. Other changes include the TPD section in Annex B which gives the rules about paying charges. There are minor tweaks in other sections as well as the Transition Document in relation to the text on Transition Rules.

In terms of the alternative Modifications he stated that the majority are permeations of the changes made for Modification 0621. Ten separate versions of legal text will be produced for the meetings planned for 25 and 27 April but the focus of this meeting is only Modification 0621.

Annex B Section Y - Charging Methodologies

CWo introduced Annex B Section Y - Charging Methodologies stating that A-I NTS Transportation Charging Methodology is a new section.

Part A-I sets out the charging methodology established by National Grid and distinguishes between reserve prices and others.

Part A-II sets out the Connection Charging methodology

Part A-I also sets out the requirements for the Tariff Regulation (TAR) methodology.

The following comments were made in discussion:

- a. Section 1.3.2(i) – JCx queried the Modification Reference Date asking if text should include a reference to indicate which Modification introduced this definition to make it easier in the future to cross-reference. She also asked if text should include a date for the introduction of the definition. CWo confirmed that there is no capability to insert text post-approval. MH suggested using ‘effective from date’ as certain steps commence before the start date and the date effective from could be an earlier date. Effective date could be the date Ofgem’s decision date? It should not be the same as the implementation date.
- b. Section 1.3.2(k) – in relation to a Gas Year the ‘Charges Publication Date’ is 01 August. JCx asked about information that is needed and currently provided earlier than this date. CWi suggested that it is not necessary for the UNC to include the exact dates of when all the information is available, confirming that some information will continue to be available before 01 August. Concern was raised about price notices not being published in May. AF also asked if, in practical terms, all prices would be received together with the exception of IP prices, which could be done separately. Prices for Interconnectors are published in March for the next Gas Year. It is useful to know prices as soon as they are calculated.

New Action 0401 National Grid to review Annex B Section 1.3.2 (k) in relation to the 01 August Charges Publication Date and consider if this should be earlier for certain items. National Grid to confirm a) what information should be published and when; b) which elements are to be included in UNC.

- c. Section 1.4 Classification of Revenue - JCx raised a point that there was no definition of ‘Allowed Services Revenue’. CWo agreed to address this in the next iteration. He also responded to a question from RP asking if ‘TS-Related NTS System Operation Revenue’ includes revenue from optional commodity charge to confirm that it is included in 1.4.1 (a) Transmission Services Revenue.
- d. Section 1.5 - CWo explained that Allowed Revenue is based on formula years and is translated to Gas Years later. In response to a question from JCx, CWi confirmed that Entry and Exit K values would be ring-fenced to 1.5.2.

New Action 0402: National Grid to provide more information in relation to Annex B Section 1.5 Allowed Revenue – Formula Years. In particular, to confirm what revenue is moving or contributing towards Transmission revenue and what is moving or contributing towards Non-Transmission revenue and to provide an

example of how it works. This includes the revenue from short term capacity and if legal text should be amended.

New Action 0403 - National Grid to a) check if the word ‘average’ should be included into Annex B Section 2.5.1 (a) in relation to Forecast Contracted Capacity; b) Review Section 2.5.3 and consider if timescales should be added relating to the first time something is used moving from transition into the enduring.

- e. Section 1.6 - Apportionment of allowed revenue to Gas Year. This is about managing the misalignment between the Formula or Financial Year (Apr to Mar) for National Grid under it's Licence and the Tariff year / Gas year (Oct to Sept). Under the current regime, when applied into prices the results are a “see-saw” effect where large price swings can take place due to this. The proposals in the Legal text look for a way to mitigate this by taking into account revenue from the two relevant financial years for the applicable Gas year. This also relates to a previous question from Workgroup to Ofgem in relation to Gas Year versus Formula Year and whether alignment of these would be included in the forthcoming price control. CF confirmed it was not part of the current discussions however, if there are strong feelings then there are opportunities in providing representation into the RIIO-T2 process. CWi suggested that this section of legal text was added recently and needs to be tested. More information will be provided as part of the planned National Grid analysis.
- f. Section 2.5 – Forecast Contract Capacity (FCC) - CWi confirmed that this should refer to average FCC. In response to a question from JCx about timescales in relation to paragraph 2.5.3 CWi agreed to review this section and consider if timescales should be included.

New Action 0404: National Grid to review the definition of ‘materially inaccurate’ within Annex B Section 3.3.1 and consider if any changes are required.

- g. Section 3.3 Within-year revision. JC asked if there was a definition of ‘materially inaccurate’ as this is referenced in paragraph 3.3.1.

New Action 0405: National Grid to consider if ‘k’ tolerances should be used as mitigating factors to inform price re-setting Annex A 3.3.1 (links to 404).

Annex A (Section B – System use and capacity)

- h. RP asked if revenue from the NTS Optional Charge would be included in Non-Transmission Revenue recovery?

New Action 0406: National Grid to review the drafting in Annex A to clarify that the Optional Charge is Transmission Services revenue.

- i. Paragraph 3.12.1(b) includes a typo, the word ‘to’ needs to be removed.

New Action 0407: National Grid to remove the typo in Annex A Section 3.12.1 (b). The sentence should read “National Grid NTS shall pay NTS Offtake...”.

Draft legal text - Covering page

- j. JC queried if the reference to delete paragraph (c) in TPD Section G2.5.8(b) should be (iii) and not (c).

New Action 0408: National Grid to review Legal Text front page TPD Section G2.5.8(b) and check if the paragraph to be deleted should be (iii) and not (c).

Annex C (Transition Document Part IIC – Transition Rules)

Annex C sets out how the new rules come into force.

- k. Paragraph 24.1.3 – a short discussion took place in relation to the ‘Modification Reference Date’. Should this also take into account the ‘implementation date’? Suggestion was that the Legal text should be reviewed to see how or if to accommodate (e.g. what if the decision was after 31 May 2019, how does it cope?)

New Action 0409: National Grid to provide examples in relation to Annex C Section 24.6.5 to illustrate 3 scenarios. This included IP to IP, Non IP to IP and IP to Non IP (all scenarios where IP is either the Entry or Exit Point for any NTS optional charge nomination.

The next step is to prepare the legal text for alternative Modifications 0621A; 0621B; 0621C; 0621D; 0621E; 0621F; 0621G; 0621H; and 0621J, using the text for Modification 0621 as the basis. This will then be reviewed by the Workgroup at the meetings to be held on 25 and 27 April 2018.

5.0 Review of outstanding action (s)

0621-0105: Action reworded from 21 February 2018: All to provide summary of issues; concerns for inclusion in the 0621 Workgroup Report.

National Grid to provide a summary of the areas of discussion to be included in the Workgroup Report.

All proposers of Alternative Modifications should submit a summary explaining why your alternative better furthers the relevant objectives than those set out by National Grid split by Transition and Enduring.

All proposers of Alternative Modifications should submit a summary explaining as to what justifies the % being suggested in each of the Alternate Modifications.

Update: This is ongoing as the Workgroup Report is updated. **Carried Forward**

0621-0213: CW to update the publication dates table to show compliance with TAR.

Update: CWi confirmed that a paragraph had been included in the table and JCx also covered in her presentation. This is related to legal text action in relation to Section 1.3.1 (k) new action 0401 so can be closed. **Closed**

0621-0303: Graham Jack (GJ), Steve Pownall (SP) and National Grid to explore:

1. System implication of more than 4 decimal places – National Grid thinks there are implications.
2. How can a meaningful discount be administered? National Grid said that depending on what discount is requested depends on how it would be applied, this depends on the proposed solution.
3. Compliance of the discount under TAR – what is the likelihood
Further input is required from Xoserve to complete this action. It is thought that this would be a significant change to implement.

Update: Workgroup discussed the Xoserve update provided for the meeting. EL confirmed that the anticipated increase in the number of decimal places from 4 to 6 would have a significant impact on Geminin and UK-Link systems, interfaces and customer-related processes. It was therefore, requested that Centrica (RR) review the request in Modification 0621C to require 6 decimal points. **Carried Forward**

0621-0306: National Grid NTS to consider timing of new Modification and what is best going forward.

Update: This action has been reworded to ask what happens to the NTS Optional Charge in the enduring period. **Carried Forward**

0621-0307: Jeff Chandler (JCh), Graham Jack (GJ), Riccardo Rossi (RR), Anna Shrigley (AS) to respond to their particular outstanding items as noted on the Comparison Table.

Update: No updates were received so this action was carried forward. **Carried Forward**

0621-0308: Phil Lucas (PH) to email Richard Fairholme (RF) and Pav Dhesi (PD) seeing verification of the difference from the baseline as noted on the Comparison Table.

Update: This has been actioned so this action was closed. **Closed**

6.0 0621 Progress Update

RP reported that the DSC Change Management meeting held on 11 April 2018 discussed that 2 separate system changes were being proposed for Modification 0621 implementation. Some changes were required for TAR compliance and others were not. He sought clarification from National Grid as to which elements were mandated by TAR.

RH stated that the system implications need to be addressed by the Workgroup Report and sought clarification from Xoserve as to why the system implementation is split into two halves whereas the Modification does not align in the same way.

CWi confirmed that National Grid has interrogated with the EU the publication platform (i.e. transparency platform) which system changes are needed irrespective of Modification 0621.

RH reiterated that the Workgroup Report needs to explain the system changes, clarifying what changes are needed to introduce the functionality for October 2019 and what changes are needed irrespective of Modification 0621. She then asked if the system changes can be done if the Ofgem decision on implementation is not received until March 2019.

Workgroup then held a discussion on these points and concern was raised about the risks relating to systems implementation. The lead time required is normally six months. Workgroup through discussion raised concerns about system implementation.

Emma Lyndon (EL) from Xoserve stated that there is significant risk. She indicated that ISU changes are planned for Release 4 (June 2019). The March 2019 decision is, therefore, very tight and would result in Xoserve potentially needing to commence work before a decision is made which is not an ideal position to be in.

Charlotte Friel (CF) from Ofgem confirmed that the 'first minded to' decision is likely to be in September/October 2018. This would also be the start of the regulatory impact assessment which will last for two months. She stressed that the Ofgem timetable is constrained by their own Board process.

New Action 0410 - CDSP (EL) to a) highlight the implications of implementation of any of the 0621 Modifications and to set out what is needed for TAR compliance. In addition, to provide a view on whether the timescales are feasible; b) provide some text for the Workgroup report on the key risks and how they can be mitigated for Modification 0621 and the corresponding alternatives.

6.1. Review Final Amendments to 0621 Modification proposal

This was covered at the start of the agenda item 4.0.

6.2. Agree Comparison Table (full and simplified)

CWi explained that UNC 0621 comparison matrix version 0.7 takes into account version 4.0 of the Modification and any alternative Modifications as at 11 April 2018.

RP stated that he had submitted a correction to the table that does not appear to have been included. CWi agreed to check if the correction had been received and agreed to provide it in the next iteration.

RH then asked Riccardo Rossi (RR) on behalf of Centrica and Charles Ruffell (CR) on behalf of RWE to confirm if they were satisfied with the information set out in the comparison table in respect of their corresponding Modifications 0621C and 0621J.

RR confirmed that some updates were outstanding and would be forwarded following the meeting.

National Grid confirmed that the comparison table would be updated as amended alternative Modifications are received. This will also enable the work in relation to comparison of the legal text to be undertaken.

6.3. Analysis Results update

Adam Bates (AB) provided a walkthrough of a presentation titled “Analysis” which included 4 pieces of analysis provided for discussion. The presentation can be accessed here: <https://www.gasgovernance.co.uk/0621/120418>

Analysis 1 - FCC Baseline Analysis Obligated vs Peak vs Enduring Scenario
Analysis 5 - Future Impact of Existing Contracts on Enduring Firm Price
Analysis 8 - Impact of the Optional Charge on Revenue Recovery Rates
Analysis 6 - Difference between the Transitional and Enduring Period

Analysis Topic 1 - FCC Baseline Analysis Obligated vs Peak vs Enduring Scenario (Slides 1-6)

AB explained that this analysis considers whether using Historic Peak Flow FCC scenario is a better alternative to National Grid’s previously suggested “Enduring Baseline Scenario” (where FCC is flows for all entry and exit points, except DN offtakes where FCC is equal to the previous year’s bookings. The background and assumptions used are set out in slide one.

In response to a question from RH, AB confirmed that analysis 1 does not apply to Modification 0621B.

New Action 0411 - SSE (JC) to confirm whether the FCC Baseline analysis applies to Modification 0621B.

Workgroup discussed slides 3 and 4 showing *Entry Firm Prices* and *Entry Revenue Recovery*, JCx stated that National Grid’s approach to forecasting capacity is good because under recovery is small but it was not clear from the presentation why the enduring FCC produces the best under recovery compared with the Obligated FCC and Peak Flow FCC scenarios. National Grid were asked to explain how having a small under recovery can better further the relevant objectives.

CF asked if National Grid have considered the implications for the period before Modification 0621 is implemented. JCx suggested that a justification needs to be included in the Workgroup report to explain for both the transition and enduring periods in terms of furthering the relevant objectives.

JC also stated that Modification 0621 was not clear on what happens post-2021.

Some Workgroup participants voiced their support for any change which minimised the over/under recovery of charges and were therefore in support of National Grid’s enduring FCC scenario. AS stated that this approach provided more predictability year on year. Penny Jackson (PJ) agreed that it would improve forecasting by removing seasonality issues.

Analysis Topic 5 - Future Impact of Existing Contracts on Enduring Firm Price (Slides 7-10)

AB explained that this analysis considers the existing contracts values past the 2021/22 period and determine the impact this has on entry firm prices during the enduring period. The background and assumptions used are set out in slide eight.

Some participants noticed the insignificant impact on firm bookings (prices) of existing contracts, for example at Bacton. Workgroup sought more information from National Grid to identify the conclusions from the slides and to understand the materiality of existing contracts. National Grid maintains that existing contracts should not be included.

It was agreed that National Grid will provide a commentary on all four sections of these analysis results (from a Modification 0621 viewpoint only) to aid Workgroup discussion.

New Action 0412 - National Grid in relation to Agenda item 6.3 Analysis to provide supporting commentary for all analysis to provide a summary conclusion to aid Workgroup discussion. In addition, to provide a view of how the data conclusions help to support and further the relevant objectives in reference to Modification 0621.

Analysis Topic 8 - Impact of the Optional Charge on Revenue Recovery Rates (Slides 11-15)

AB explained that this analysis assesses the impact of the Optional Charge on revenue recovery rates for both Entry and Exit. The background and assumptions used are set out in slide twelve. He explained that National Grid have combined the Entry and Exit Non-IP commodity charge to generate a combined rate in the Optional Charge comparison.

A brief discussion was held on the percentage difference figures provided in slide 14 to understand the impact of the Optional Charge on Revenue Recovery Rates.

Workgroup participants had varying views as to whether the price increase/revenue recovery rate constituted a distortion for IPs and Non-IPs.

New Action 0413 – National Grid (AB) in relation to Analysis 8 - Impact of the Optional Charge on Revenue Recovery Rates to provide more examples to illustrate as per Action 0409. In addition, to provide details of the revenue recovered in terms of money rather than percentages.

It was suggested that future IP flows are unknown because of contracts ending 30 September 2018. JC raised a concern that the analysis may not be representative as it only covers a 2-year period and asked whether transit flows should be included? It is understood that the original IUK contracts are due to end in 2018. Any further thoughts regarding the impacts from IUK's perspective were sought for any context for the workgroup to consider.

New Action 0414 - Pavanjit Dhesi to review Analysis 8 - Impact of the Optional Charge on Revenue Recovery Rates to provide a view from IUK on the impact on IP flows.

Analysis Topic 6 - Difference between the Transitional and Enduring Period (Slides 16-19)

AB explained that this analysis assesses the impact of the FCC change between the Transition and Enduring periods by keeping all other variables the same. The background and assumptions used are set out in slide 17.

Workgroup considered the results of the analysis provided in slides 18 and 19 and identified that storage is significantly impacted in the transition period.

Richard Fairholme (RF), stated that there is a big step between transition and enduring and agreed that there is a negative impact on storage sites which is borne out by analysis undertaken by Uniper as part of Modification 0621E. He confirmed that he was not in a position to share this with the Workgroup due to commercial sensitivity of the data.

In relation to exit prices, as the Exit Commodity (under most of the proposals) ends for Transmission in 2021, then for DN offtakes there is a potential step change in charges between transition and enduring. As there is no Transmission Exit Commodity (that the DN's do not currently pay – DN Shippers do) then for GDN's there is a likely increase to capacity charges from transition to enduring.

Workgroup concluded by suggesting that there is a potential impact on DNs and LDZs, due to increased prices for DNs in the enduring period.

RH thanked AB for his hard work on the analysis.

6.4. Existing contracts

Julie Cox (JCx) provided a short presentation titled *Existing Contracts: TAR compliance and relevant objectives* for discussion at the Workgroup.

JC provided a walkthrough of the presentation highlighting the issues in relation to the treatment of existing contracts and the guidance provided in TAR NC. She stated that Article 6.3 and 6.4 set out the guidance and identified a number of issues and concerns that she considered the Workgroup need to consider which suggest non-compliance with the TAR code. She stated that in her view none of the proposers are compliant.

RH thanked JCx for her presentation and requested she provide a condensed summary of the issues to be included in the Workgroup Report under the heading of Legislative Compliance.

Debra Hawkin (DH), asked National Grid if they have taken legal advice on compliance to which CWi confirmed that this had been done.

Action 0415 - Energy UK (JCx) in relation to existing contracts: TAR compliance and relevant objectives to provide a summary of the key issues that need consideration for the Workgroup Report.

7.0 Development of the Workgroup Report

7.1. Workgroup response to initial draft of first batch of Section 6 topics

Rebecca Hailes (RH) showed onscreen section 6 of the Workgroup Report.

New Action 0416 - GDN Workgroup participants to update workgroup for Modification 0621 on how NTS pricing changes will change DN Charges and articulate the potential impact on consumers.

New Action 0417 – Joint Office (RH) to circulate the Workgroup Report and highlight the sections that need to be reviewed.

8.0 Next Steps

RH summarised the next steps as review of the analysis and amended modifications, review of the legal text and development of the Workgroup Report.

9.0 Any Other Business

None

10.0 Key Messages/Summary/Key Actions

RH summarised the key messages and actions arising from the Workgroup meeting for publication on Friday 13 April as a post meeting update.

11.0 Diary Planning

Additional workgroup meetings in April have been agreed as per the table below.

The Workgroup discussed the start times of future meetings and agreed changes to the start and finish times to accommodate the work necessary to complete the Workgroup Report.

Date	Focus for the meeting	Venue
Friday 20 April	Analysis and review of amended modifications	10:00 – 16:00 St Johns Hotel, Solihull
Monday 23 April	Workgroup Report development	9:30 – 17:00 St Johns Hotel, Solihull
Tuesday 24 April	Workgroup Report development	9:30 – 17:00 St Johns Hotel, Solihull
Wednesday 25 April	Legal Text Review - 0621	9:30 – 17:00 St Johns Hotel, Solihull
Thursday 26 April	Workgroup Report development	9:30 – 17:00 St Johns Hotel, Solihull
Friday 27 April	Legal Text Review - 0621 Alternatives	9:30 – 17:00 St Johns Hotel, Solihull
Monday 30 April	Workgroup Report development	9:30 – 17:00 St Johns Hotel, Solihull
Tuesday 01 May	NTSCMF and Workgroup Report development	Elaxon, London
Wednesday 02May	Workgroup Report completion	9:30 – 17:00 St Johns Hotel, Solihull
Tuesday 08 May	Placeholder if required	St Johns Hotel, Solihull

As at 12 April 2018					
Action Ref	Meeting Date(s)	Minute Ref/ Raised by	Action	Owner/ Update due by	Status Update
0621-0105	11/01/18	2.0	<p>Action reworded from 21 February 2018: All to provide summary of issues; concerns for inclusion in the 0621 Workgroup Report. NG to provide a summary of the areas of discussion to be included in the Workgroup Report. All proposers of Alternative Modifications should submit a summary explaining why your alternative better furthers the relevant objectives than those set out by National Grid split by Transition and Enduring. All proposers of Alternative Modifications should submit a summary explaining as to what justifies the % being suggested in each of the Alternate Modifications.</p>	All 06 March 28 March Ongoing	Carried Forward

0621-0213	21/02/18 Day 2	JCx	CW to update the publication dates table to show compliance with TAR.	National Grid (CW) 06 March 20 March 28 March 12 April	Closed
0621-0303	20/03/18	4.1 Workgroup	Graham Jack (GJ), Steve Pownall (SP) and National Grid to explore: <ol style="list-style-type: none"> 1. System implication of more than 4 decimal places 2. How can a meaningful discount be administered? 3. Compliance of the discount under TAR – what is the likelihood 	Graham Jack (GJ), Steve Pownall (SP) and National Grid 28/03/18 12 April 20 April	Carried Forward
0621-0306	28/03/18	Workgroup	National Grid NTS to consider timing of new Modification and what is best going forward. 12 April – Re-word This action has been re-worded to ask what happens to the NTS Optional Charge in the enduring period.	National Grid (CW) 20 April	Carried Forward
0621-0307	28/03/18	National Grid	Jeff Chandler (JCh), Graham Jack (GJ), Riccardo Rossi (RR), Anna Shrigley (AS) to respond to their particular outstanding items as noted on the Comparison Table.	JCh, GJ, RR, AS 20 April	Carried Forward
0621-0308	28/03/18	National Grid	Phil Lucas (PH) to email Richard Fairholme (RF) and Pav Dhesi (PD) seeing verification of the difference from the baseline as noted on the Comparison Table.	National Grid (PL)	Closed
0621-0401	12/04/18	4.b Workgroup	National Grid to review Annex B Section 1.3.2 (k) in relation to the 01 August Charges Publication Date and consider if this should be earlier for certain items. National Grid to confirm a) what information should be published and when; b) which elements are to be included in UNC.	National Grid (CW)	Pending
0621-0402	12/04/18	4.d Workgroup	National Grid to provide more information in relation to Annex B Section 1.5 Allowed Revenue – Formula Years. In particular, to confirm what revenue is moving or contributing towards Transmission revenue and what is moving or contributing towards Non-Transmission revenue and to provide an example of how it works. This includes the revenue from short term capacity and if legal text should be amended.	National Grid (CW)	Pending
0621-0403	12/04/18	4.d Workgroup	National Grid to a) check if the word ‘average’ should be included into Annex B Section 2.5.1 (a) in relation to Forecast Contracted Capacity; b) Review Section 2.5.3 and consider if	National Grid (CW)	Pending

			timescales should be added relating to the first time something is used moving from transition into the enduring.		
0621-0404	12/04/18	4.f Workgroup	National Grid to review the definition of 'materially inaccurate' within Annex B Section 3.3.1 and consider if any changes are required.	National Grid (CW)	Pending
0621-0405	12/04/18	4.g Workgroup	National Grid to consider if 'k' tolerances should be used as mitigating factors to inform price re-setting Annex A 3.3.1 (links to 404).	National Grid (CW)	Pending
0621-0406	12/04/18	4.h Workgroup	National Grid to review the drafting in Annex A to clarify that the Optional Charge is Transmission Services revenue.	National Grid (CW)	Pending
0621-0407	12/04/18	4.i Workgroup	National Grid to remove the typo in Annex A Section 3.12.1 (b). The sentence should read "National Grid NTS shall pay NTS Offtake...".	National Grid (CW)	Pending
0621-0408	12/04/18	4.j Workgroup	National Grid to review Legal Text front page TPD Section G2.5.8(b) and check if the paragraph to be deleted should be (iii) and not (c).	National Grid (CW)	Pending
0621-0409	12/04/18	4.k Workgroup	National Grid to provide examples in relation to Annex C Section 24.6.5 to illustrate 3 scenarios. This included IP to IP, Non IP to IP and IP to Non IP (all scenarios where IP is either the Entry or Exit Point for any NTS optional charge nomination).	National Grid (CW)	Pending
0621-0410	12/04/18	6. Workgroup	CDSP (EL) to a) highlight the implications of implementation of any of the 0621 Modifications and to set out what is needed for TAR compliance. In addition, to provide a view on whether the timescales are feasible; b) provide some text for the Workgroup report on the key risks and how they can be mitigated for Modification 0621 and the corresponding alternatives.	CDSP (EL)	Pending
0621-0411	12/04/18	6.3 Workgroup	SSE (JC) to confirm whether the FCC Baseline analysis applies to Modification 0621B.	SSE (JC)	Pending

0621-0412	12/04/18	6.3 Workgroup	National Grid in relation to Agenda item 6.3 Analysis to provide supporting commentary for all analysis to provide a summary conclusion to aid Workgroup discussion. In addition, to provide a view of how the data conclusions help to support and further the relevant objectives in reference to Modification 0621.	National Grid (CW)	Pending
0621-0413	12/04/18	6.3 Workgroup	National Grid (AB) in relation to Analysis 8 - Impact of the Optional Charge on Revenue Recovery Rates to provide more examples to illustrate as per Action 0409. In addition, to provide details of the revenue recovered in terms of money rather than percentages.	National Grid (AB)	Pending
0621-0414	12/04/18	6.3 Workgroup	Pavanjit Dhesi to review Analysis 8 - Impact of the Optional Charge on Revenue Recovery Rates to provide a view from IUK on the impact on IP flows.	Interconnector UK (PD)	Pending
0621-0415	12/04/18	6.3 Workgroup	Energy UK (JCx) in relation to existing contracts: TAR compliance and relevant objectives to provide a summary of the key issues that need consideration for the Workgroup Report.	Energy UK (JCx)	Pending
0621-0416	12/04/18	6.3 Workgroup	GDN Workgroup participants to update workgroup for Modification 0621 on how NTS pricing changes will change DN Charges and articulate the potential impact on consumers.	GDN Workgroup participants	Pending
0621-0417	12/04/18	6.3 Workgroup	Joint Office (RH) to circulate the Workgroup Report and highlight the sections that need to be reviewed.	Joint Office (RH)	Pending