

UNC Workgroup 0662 Minutes
Revenue Recovery at Combined ASEPs
Thursday 06 September 2018
at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andrew Blair*	(ABI)	Interconnector
Andrew Pearce	(AP)	BP
Angharad Williams*	(AW)	National Grid NTS
Bill Read	(BR)	RWE Supply & Trading GmbH
Colin Hamilton	(CH)	National Grid NTS
Jeff Chandler*	(JCh)	SSE
John Costa*	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Malcolm Montgomery	(MM)	National Grid NTS
Nick King	(NK)	CNG Services
Nick Wye	(NW)	Waters Wye Associates
Penny Jackson*	(PJ)	Npower
Phil Hobbins	(PH)	National Grid NTS
Richard Fairholme*	(RF)	Uniper
Robin Dunne	(RD)	Ofgem
Shiv Singh*	(SS)	Cadent
Sinead Obeng	(SO)	Gazprom Marketing & Trading
Steven Britton*	(SB)	Cornwall
William Webster*	(WW)	Oil & Gas UK

*via teleconference

Copies of all papers are available at: <https://www.gasgovernance.co.uk/662/060918>

1. Introduction and Status Review**1.1. Approval of Minutes (02 August 2018)**

The minutes from the previous meeting were approved.

2. Consider Amended Modification**2.1. UNC 0662: Revenue Recovery at Combined ASEPs Presentation**

CH provided a brief overview of the National Grid NTS 'UNC 0662: Revenue Recovery at Combined ASEPs' presentation, during which he advised that this subject matter potentially involves a small material impact.

With attention focusing initially on the *'Aggregate Entry Flows'* slide, a discussion centred on the provided tabulated information during which CH confirmed that the 6% per annum value represents a 'global value'. When asked, CH confirmed that he would look to provide more detailed information relating to these (global) figures at the next Workgroup meeting.

Discussions then moved on to considering the *'Mod UNC 0662: Revenue Recovery at Combined ASEPs'* slide, whereupon CH advised that he believed that as far as the 'booked' capacity aspects are concerned, these are the maximum value that it could ever reach, although he would look to provide additional (public arena) information in due course.

2.2. Draft Proposed Amendments to Version 1.0 of the Modification

CH provided a brief outline of the proposed changes (that align with the presentation discussed under item 2.1 above) to the current published version of the modification (v1.0, dated 12 June 2018), during which discussions focused on the following key points:

Section 1 – Summary

CH explained the rationale behind the proposed changes.

When BR enquired whether or not the Forecast Capacity Methodology allows for identification of abandoned capacity aspects and schemes, RH pointed out that work on this area is due to commence shortly.

Section 5 – Solution

CH explained that these proposed changes are looking to better clarify the scope of the proposal.

RH enquired whether or not the Joint Office should prepare a draft Workgroup Report (WGR), subject to formal submission of the amended modification after this Workgroup meeting, to which CH responded by suggesting that he needs a bit more time in order to undertake some additional analysis related to the global 6% aspects before he can then submit the amended modification.

When it was suggested that the modification should also look to take into account 'netting off' for FCC purposes, NW suggested that this is already covered by historical aspects (i.e. the issue of whether booked storage capacity needs to be 'netted off' from the FCC, on the grounds that it is historical capacity, is already catered for as the 'capacity model' already 'nets' off the capacity) – it was requested that National Grid looks to confirm the position at the next Workgroup meeting.

CH then explained that any system related aspects are already covered under the proposed 0621 system solution, with capability being built in to either switch these on/off depending on the outcome of the Ofgem decision on Modification 0621 and its alternatives. The system changes required for Modification 0662 could potentially be included within the October 2019 Release; testing is currently underway.

New Action 0901: National Grid NTS (CH) to confirm whether booked storage capacity needs to be 'netted off' from the FCC, on the grounds that it is historical capacity, and therefor and is already catered for as the 'capacity model' already 'nets' off the capacity.

When asked if there is any information that he would welcome being provided in order to assist progression of the modification, CH responded by suggesting that any supporting financial information would be extremely valuable and helpful.

In concluding discussions, CH pointed out that subject to a decision on any of the suite of 0621 modifications, this modification (0662) maybe withdrawn at some future point.

3. Review of Issues and Questions from Panel

RH explained that these would be considered during subsequent development of the Workgroup Report in due course.

4. Development of Workgroup Report

Please refer to discussions under item 2.2 above and next steps.

5. Review of Outstanding Actions

No outstanding actions to consider at this time.

6. Next Steps

National Grid NTS to formally submit an amended modification and thereafter, the Joint Office to publish the amended modification and prepare a draft Workgroup Report for consideration at the 04 October 2018 Workgroup meeting.

7. Any Other Business

None.

8. Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10.00, Thursday 04 October 2018	Elexon, 350 Euston Road, London NW1 3AW	Standard Agenda, plus <ul style="list-style-type: none"> • Consideration of amended modification • Development of Workgroup Report
10.00, Thursday 01 November 2018	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Standard Agenda
10.00, Thursday 06 December 2018	Elexon, 350 Euston Road, London NW1 3AW	Standard Agenda

Action Table (as at 06 September 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	06/09/18	2.2	To confirm whether booked storage capacity needs to be 'netted off' from the FCC, on the grounds that it is historical capacity, and is already catered for as the 'capacity model' already 'nets' off the capacity.	National Grid NTS (CH)	Pending