

UNC Workgroup 0696 Minutes

Addressing inequities between Capacity booking under the UNC and arrangements set out in relevant NExAs

Thursday 25 July 2019

at Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Bob Fletcher	(BF)	Joint Office
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Gareth Evans*	(GE)	Waters Wye Associates Ltd
Kate Mulvany*	(KM)	Centrica
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Louise Hellyer*	(LH)	Total Gas & Power Limited
Mark Jones*	(MJ)	SSE
Matthew Payne*	(MP)	SGN
Nitin Prajapati	(NP)	Cadent
Richard Johnson	(RJ)	Xoserve
Richard Pomroy	(RP)	Wales & West Utilities
Steve Britton*	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom
Stephanie Clements	(SC)	ScottishPower
Tracey Saunders	(TS)	Northern Gas Networks

*via teleconference

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0696>

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 August 2019.

1.0 Introduction and Status Review

1.1. Approval of Minutes (27 June 2019)

2.0 Amended Modification

Gareth Evans (GE) explained that some amendments have been made to the Modification. The specific changes relate to the Summary; Why Change and the Solution.

Why Change:

GE explained that further clarification has been inserted into the Modification in order to meet the criteria set by Ofgem regarding retrospection.

RP raised a point regarding the 'Not affecting other parties' and said that, if capacity is limited in part of the network, another shipper would not have the capacity available to them.

Solution:

Business Rule 1: GE explained CDSP currently hold flags to confirm the existence of a NEXA at a meter point. SM advised this can be processed by the Transporter to minimise the system change.

Business Rule 2: ER advised that this could impact central system. (depending on the solution), whereas the proposal states that there is no impact.

Richard Pomroy (RP) confirmed the Legal Text should be available for the next UNC Panel.

3.0 Consideration of Business Rules

The Business Rules were considered as part of the amended Modification discussions in agenda item 2.0.

4.0 Review of Impacts and Costs

Issues and Questions from Panel:

UNC Panel have asked that justification for retrospective implementation should be considered.

In response to the Panel question, the proposer has included in the proposal Ofgem's criteria for assessing the retrospective implementation of a proposal, along with the reasoning as to why they apply in this instance. The rationale used to apply these criteria to the proposal went largely unchallenged in the Workgroup, although some felt the justification was vague.

5.0 Development of Workgroup Report

AR proceeded to make some draft updates to the Workgroup Report. The Workgroup Report will be published once completed.

6.0 Review of outstanding actions

No outstanding actions.

7.0 Next Steps

Submit Workgroup Report to August UNC Panel, with mixed views in the Workgroup as to whether the Modification was sufficiently developed to be issued to consultation.

8.0 Any Other Business

TS advised that Northern Gas Networks are considering submitting an alternative to this Modification and explained that the differences in their Modification is as follows:

- It includes Supply Meter Points, both on DNO and NTS networks
- It includes all classes of Supply Meter Point
- It caps daily capacity for Supply Meter Points to NEXA capacity
- There is no retrospective element

Need to be an assessment of cost vs benefit from CDSP.

TS is considering submitting the proposed Alternative Modification to the August UNC Modification Panel, with possibly a 4 month development period.

SM stipulated that he would not want to see this Modification delayed and feels like it is an attempt to delay the process.

Deleted: Legal Text has been provided and is now placed in the Workgroup Report. When Workgroup reviewed the provided Legal Text there were some concerns raised regarding the obligation for the Shipper to pass on the payment to the affected customer, but it was stated that the proposal would not be modified to reflect this point.¶

Joint Office were asked to confirm the Governance routes available.

BF advised that the Modification Panel would assess whether this is a true Alternative or not. If it is not judged to be an Alternative, it will proceed as a new Proposal and would be developed in its own right.

If it is judged a bona-fide Alternative Modification, and is judged sufficiently developed, it could go out to consultation with the original, if not, both proposals would be sent to Workgroup for further development.

SM expressed his disappointment that the proposed Alternative has come along so late in the process, particularly given the effect it could have on the time-line of the initial proposal.

9.0 Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme

Action Table (as at 25 July 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			None		