

UNC Workgroup 0736/A Clarificatory change to the AQ amendment process within TPD G2.3 Minutes

Thursday 22 October 2020

via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alex Mann	(AM)	Gazprom Energy
Andy Clasper	(AC)	Cadent
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fiona Cottam	(FC)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Guv Dosanjh	(GD)	Cadent
Heather Ward	(HW)	Energy Assets
India Koller	(IK)	SGN
John Welch	(JW)	PAFA
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Max Lambert	(ML)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Paul Bedford	(PB)	DRAX
Phil Lucas	(PL)	National Grid
Rose Kimber	(RK)	CNG Ltd
Sean McSweeney	(SMc)	E.ON
Steve Britton	(SBr)	Cornwall Insights
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0736/221020.

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 November 2020.

1. Introduction and Status Review

Kate Elleman (KE) welcomed all to the Workgroup.

1.1. Approval of Minutes (24 September 2020)

The minutes from the previous meeting were accepted.

1.2. Approval of Late Papers

KE confirmed that no late papers have been submitted.

1.3. Review of Outstanding Actions

0736 0901: Cadent (AC) to provide a summary for the minutes of what is currently in UNC and what their use is with regards to 50% affiliate in Annex D2, the 33.3% around assignments and the 10% TPD V around confidentiality.

Update: Andy Clasper (AC) confirmed this has been provided in the amended modification.
Closed

0736 0902: All shippers to consider what level of % affiliate was appropriate and provide views to the proposer as to what/why at or ahead of the next workgroup.

Update: AC confirmed this has been provided in the amended modification. **Closed**

0736 0903: Cadent (AC) to make amendment to the wording of Business Rule 1 to define the meaning of grouping / affiliate etc.

Update: AC confirmed this has been provided in the amended modification. **Closed**

0736 0904: Once Cadent have provided the summary of what is currently in UNC and what their use is with regards to New Action 0902, Shippers are to consider which option is more suitable.

Update: AC advised that one response has been received, therefore the modification has been amended to remove the square brackets from the originally suggested 25%. **Closed**

0736 0905: CDSP (DA) and Cadent (AC) to review the financial impact of Users utilising reason code 2 and 4.

Update: AC advised reason code 2 and 4 that are not being addressed as part of Modification 0736 and that this is a clarification modification. Dave Addison (DA) confirmed reason code 2 and 4 will be looked at as part of the wider AQ Review. **Closed**

0736A 0901: SM to add clarification in the Modification around what is meant by retrospection and what adjustments are expected.

Update: Alexander Mann (AM) confirmed this will be covered in the amendments that will be made to Modification 0736A. **Closed**

0736A 0902: CDSP (DA) to look at AQ amendments from Nexus implementation date.

Update: DA clarified he has looked at some AQ corrections, and confirmed there are some anomalies highlighted as part of the analysis, some of which will form the scope of the AQ Review. **Closed**

0736A 0903: Gazprom Energy (SM) to liaise with IGT to consider if there is an IGT impact with Modification 0736 and 0736A.

Update: This will be discussed as part of the agenda. **Closed**

2. Amended Modification

Guv Dosanjh (GD) provided an update to Workgroup regarding conversations that have recently taken place with the proposer of the alternative to Modification 0736, Steve Mulinganie, regarding decoupling the two modifications. He explained Modification 0736A needs to run a slightly different timeline to Modification 0736 as the solution is taking longer to conclude due to it having a retrospective element. GD referred Workgroup to *Modification 0479 – Inclusion of email as a valid UNC Communication*, as an example of when decoupling has happened before. For reference, please see UNC Panel minutes 18 December 2014 (www.gasgovernance.co.uk/panel/181214).

GD confirmed UNC Panel will be requested to consider decoupling the modifications at UNC Panel on 19 November 2020. AM also clarified that Steve Mulinganie is supportive of the request.

When asked if Ofgem are supportive of the approach, Max Lambert (ML), confirmed it was a sensible and pragmatic approach which Ofgem would support.

Tracy Saunders (TS) stated there have been changes to the Modification Rules since Modification 0479 and 0479A were decoupled and asked that if the rule on decoupling has been changed

would Ofgem be willing to allow for the decoupling officially? ML advised he will consider this and liaise with the Ofgem UNC Panel representative Liam King but still supported the approach.

AC provided a walkthrough of the changes made to Modification 0736 which are briefly as follows:

- Affiliate is now a Defined Term
- **Why Change** – only one response received regarding the original square bracket figure of 25%, therefore the square brackets have now been removed; Affiliate is a defined term and an explanation of Affiliate added to this section.
- **Solution** – For Business Rule 3 TS asked if this should also include if an Affiliate is no longer in place. AC agreed to consider and advised he may update this Business Rule.
- **Impacts and Considerations** – It was confirmed there is no IGT modification needed; Kirsty Dudley (KD) advised that IGTUNC have previously sent out a For Your Information (FYI) communication out and asked if the same approach can be taken with this modification.

Post meeting note:

There has since been a further amendment to the modification to incorporate Workgroup discussions where the wording for Business Rule 3 has been updated.

3. Review of Modification 0736A

Alexander Mann (AM) advised Workgroup that there have been discussions on the technical solution aspects of Modification 0736A and an updated modification will be submitted accordingly.

DA advised that the nature of the adjustment that would be required and the commodity aspect would be processed through reconciliation. Gareth Evans and Steve Mulinganie (the Proposer) are satisfied that Modification 0736A only affects Transportation Capacity.

Heather Ward (HW) confirmed, as the IGT representative, IGT Transportation Charges are not impacted by this modification.

4. Review of Legal Text

AC provided a walkthrough of the legal text provided and explained the changes are to Section G2.3 – Supply Points.

Post meeting note:

The amendment to the modification to incorporate Workgroup discussions has been processed.

5. Development of Workgroup Report

KE advised she will seek clarification that the Workgroup Report remains a joint Workgroup Report with the recommendation that the modifications are decoupled. Once the modifications have been decoupled, the separated modifications will proceed in their own rights.

6. Next Steps

KE confirmed that on 19 November 2020, UNC Panel will be asked to consider if Modification 0736 and 0736A can be decoupled. If agreed, Panel will also be asked to consider Modification 0736 at the November Panel meeting.

7. Any Other Business

None raised.

8. Review of Outstanding Actions

9. Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Programme
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10:00 Thursday 26 November 2020	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none">• Consider Modification 0736A• Consider Modification 0736 – pending UNC Panel determination
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Action Table (as of 22 October 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
No actions outstanding					