

UNC Transmission Workgroup Minutes
Thursday 04 June 2020
Via Teleconference

Attendees		
Lorraine O'Shaughnessy Chair)	(LOS)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Aisling Jenson-Humphreys	(AJH)	Conoco Phillips
Adam Bates	(AB)	South Hook Gas
Andrew Pearce	(AP)	BP
Angus Paxton	(AP)	Poyry
Anna Shrigley	(AS)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Christiana Sykes	(CS)	Shell
Chris Wright	(CW)	Exon Mobil
Debra Hawkin	(DH)	TPA Solutions
Emma Buckton	(EB)	Northern Gas Networks
Henk Kreuze	(HK)	Vermillion
Hilary Chapman	(HC)	SGN
India Koller	(IK)	SGN
Iwan Hughes	(IH)	VPI Immingham
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Jon Dixon	(JD)	Ofgem
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KN)	ESB
Kamla Rhodes	(KR)	Conoco Phillips
Leyon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Paul Youngman	(PY)	Drax
Pavanjit Dhesi	(PD)	Interconnector
Rachel Hinsley	(RH)	National Grid (<i>agenda item 6.2 only</i>)
Richard Pomroy	(RP)	Wales and West Utilities
Shiv Singh	(SS)	Cadent
Steven Britton	(SB)	Cornwall Energy
Steve Pownall	SP)	Xoserve
Terry Burke	(TB)	Equinor
Will Webster	(WW)	Oil and Gas UK

Copies of all papers are available at: www.gasgovernance.co.uk/tx/040620

1. Introduction and Status Review

Lorraine O'Shaughnessy (LOS) advised Workgroup that she had a request if an update under Item 3 of the Agenda could be discussed relating to Urgent Modification 0726 could be brought forward early and asked Workgroup if this could be covered after agenda item 1.1 on the Agenda by Richard Pomroy (RP). Workgroup were happy to accommodate.

1.1. Approval of minutes (7 May 2020)

The minutes from the previous meeting were approved.

1.2. Ofgem update

An overview was provided by Max Lambert (ML) of the Industry Updates document which covered the following topics:

UNC678 (Gas Charging Review) Amendments to Gas Transmission Charging Regime

On Thursday 28 May, Ofgem published their decision and final impact assessment on GCR, approving modification proposal UNC0678A - Amendments to Gas Transmission Charging Regime (Postage Stamp). Following the publication of their Minded to Decision and Draft Impact Assessment on 23 December 2019, Ofgem consulted for two months.

Ofgem's decision is to approve modification proposal UNC0678A, with an implementation date of 1 October 2020.

<https://www.ofgem.gov.uk/publications-and-updates/amendments-gas-transmission-charging-regime-decision-and-final-impact-assessment-unc678abcdefghij>

Uniform Network Code Modifications aimed at mitigating the impacts of COVID-19

On 11 May 2020, Ofgem approved three Uniform Network Code (UNC) modification Urgent proposals related to the COVID-19 pandemic. These are:

0722 - Allow Users to submit Estimated Meter Reading during COVID-19

0723 - Use of Isolation Flag to identify sites with abnormal load reduction during COVID-19 period

0724 - Amendment to Ratchet charges during COVID-19 period

On 29 May 2020, Ofgem made the decision to reject Modification 0725 (Urgent) - Ability to Reflect the Correct Customer Network Use and System Offtake Quantity (SOQ) During COVID-19, which had been granted urgency status on 7 May, and proposed to temporarily reduce the network capacity and associated charges allocated to daily metered supply points, to be based on a lower level of network usage during the COVID-19 period. Ofgem felt the modification would not better facilitate the achievement of the relevant objectives of the UNC.

Whilst Ofgem concluded it would not be appropriate to direct the implementation of Modification 0725 (Urgent), they are sympathetic with the situation of customers who have entered into capacity commitments in accordance with prevailing requirements, and subsequently found they were unable to use that capacity due to COVID-19 regulations. Ofgem are aware the current situation continues to present challenges, and Ofgem is working closely with government and industry the needs of customers are being met, including the most vulnerable.

ML also informed Workgroup that Modification 0721 (Urgent) - Shipper submitted AQ Corrections during COVID-19, was rejected as Ofgem felt this modification would not better facilitate the achievement of the relevant objectives of the UNC.
<https://www.gasgovernance.co.uk/0721>

Modifications 0722, 0723, 0724

<https://www.ofgem.gov.uk/publications-and-updates/authority-decision-unc722-unc723-unc724-and-consent-modify-c058>

Modification 0725

<https://www.ofgem.gov.uk/publications-and-updates/unc725-ability-reflect-correct-customer-network-use-and-system-offtake-quantity-soq-during-covid-19>

Final decision: South Hook Terminal Company's LTD's application for exemption from regulated third party access for additional capacity

Ofgem published their decision to grant South Hook Terminal Company LTD (SHT) an exemption from regulated Third Party Access (rTPA) for additional Liquefied Natural Gas capacity, estimated to be ~5.3 billion cubic metres per year. The granted exemption will be in place for 25 years from the date that commercial operation commences in respect of the Incremental Capacity, and the capacity will fall back within the rTPA regime when the exempt period for the Incremental Capacity ends.

Ofgem have notified the European Commission of their decision, who have two months from the day following receipt of the Ofgem decision to request Ofgem to withdraw or amend it.

<https://www.ofgem.gov.uk/publications-and-updates/final-decision-south-hook-lng-terminal-company-ltd-s-application-exemption-regulated-third-party-access-additional-capacity>

1.3. Pre-Modification discussions

LOS advised that JR has a Pre-Modification discussion. JR advised that she would cover this under item 4.1.

1.4. Outstanding Actions

Action 0301: Ofgem Update - Decision to reject Uniform Network Code (UNC) 667: Inclusion and Amendment of the Entry Incremental Capacity Release Net Present Value test in the Uniform Network Code: Ofgem to provide further clarity on the progression of decarbonisation in order to better understand the decision to reject Modification 0667.

Update: ML confirmed there is no further update. **Carried forward**

Action 0302: Ofgem Update - Decision to reject Uniform Network Code (UNC) 667: Inclusion and Amendment of the Entry Incremental Capacity Release Net Present Value test in the Uniform Network Code: With reference to the NPV Test to progress decarbonisation, Ofgem to provide clarity on the direction of travel.

Update: ML confirmed there is no further update. **Carried forward**

2. European Codes Update

2.1. National Grid update (PH)

National Grid confirmed there is no European Update to be provided this month.

3. Consequential impacts of coronavirus

Further to the Introduction as detailed above, RP took the opportunity to introduce Modification 0726 (Urgent) – COVID-19 Liquidity Relief Scheme for Shippers. and explained its intent is to provide relief on some of the Transportation invoices to Shippers that qualify. This Modification will defer the majority of the amount due for June; July and August billing periods to later in the year to those Shippers that qualify.

This Modification is currently out for Consultation which closes at 5pm on 12 June 2020.

RP advised the solution to the Modification is quite detailed and that he is currently working on the legal text which will be published as soon as it is finalised.

JCx commented that Industry appear to be bearing all of the risk of non-payment. RP clarified that is broadly consistent with the current arrangements.

RP explained the Transporters would seek to recover any bad debt incurred within the scheme, if a Shipper fails to make one of the deferred payments they would be evicted from the scheme and would no longer enjoy the benefit.

JCx also asked, RP to clarify how any interest earned will be refunded to Shippers, as the understanding of this is different to what is mentioned in the Ofgem Open Letter dated 02 June 2020, (*Managing the impact of COVID-19 on the energy market – introducing the option of relaxing network charge payment terms for suppliers and shippers*), JCx asked for clarification from Ofgem. Jon Dixon (JD) agreed to provide a Q&A approach that can be published alongside the modification.

New Action 0601: Modification 0726 (Urgent): All Workgroup Participants to submit any questions to Jon Dixon, Ofgem. Joint Office will publish these alongside the Modification.

RP suggested that if Shippers need to apply for the scheme, they should consider what they need to provide within the interim period as detailed in the Modification. He explained that applications can only be made during the last five Business Days of each of the billing periods. The eligibility Criterion and application Business Rules can be found within Section 5 of the Modification.

RP clarified that the CDSP will receive all applications and apply the eligibility criteria, they will then update the Shipper and the Transporter. Applications should be submitted no later than 23 June 2020 and Shippers will need to apply for each billing period separately in advance for the billing month.

Anna Shrigley (ASh) commented that all companies manage their cash flows in different ways and asked if the company has to have an acceptable credit rating, as she advised that those that did not, would also find this scheme to be helpful during the COVID-19 period.

RP confirmed that he accepts this Modification is targeting relief at those Shippers that do not have internal resources, and he has used a credit rating as a proxy for that.

ASh asked if there is a limit on the individual Shippers deferred payments, RP clarified this is approximately £330,000 per Shipper per Network per month.

John Costa (JCo) asked for clarification on what the background is to this Modification. RP clarified the Modification has been raised in response to the Ofgem Open Letter and has been raised on behalf of all Networks in order to provide some relief as a result of COVID-19.

National Grid update

JR advised that National Grid have been holding regular COVID-19 Webinars and provided a brief update:

Operational update

- Gas demand continues to trend lower than in previous years, especially power generation (as it has been sunny and windy, renewables have taken up more of the share of power generation).
- LDZ demand however, is now trending closer to what National Grid forecasts would normally predict
- Gas prices have trended downwards recently; the NBP is materially lower than European hub prices in April but now more aligned.
- Storage: high injection rates observed in April when National Grid saw a lot of LNG supply.

GNCC Update

- Absenteeism remains low.
- Still operating with 4 shift teams on 12 hr rotas with 2 shift teams on stand-by.
- Accommodation pods are still available as a contingency.
- All non-GNCC staff continue to work from home.
- National Grid have started their planning for de-escalation, including what has worked well during lockdown that they should carry on with, while maintaining an ability to manage operational risks in the event of a second peak.

4. Workgroups

- 4.1. **0705R – NTS Capacity Access Review 0671 – New Capacity Exchange process at**
(Report to Panel 15 October 2020)
www.gasgovernance.co.uk/0705
- 4.2. **0716 - Revision of Overrun Charge Multiplier**
(Report to Panel 16 July 2020)
www.gasgovernance.co.uk/0716
- 4.3. **0720S - Amendments to the Agreed Target Quantity at the Moffat Interconnection Point**
(Report to Panel 16 July 2020)
www.gasgovernance.co.uk/0720

5. Issues

No issues were raised.

6. Any Other Business

6.1. User Representative Election process

LOS provided an overview of the UNC Elections Process and confirmed that the User Representatives appointment procedure had now commenced, whereby the Single Point of Contacts (SPoCs) would be confirmed towards the end of June 2020, in readiness for them to submit their nominated representatives for the Committees and advised that the Joint Office have sent out communication to all parties.

6.2. Gas Information Provision

Rachel Hinsley (RH) provided a review for Gas Information Provision and explained the Data Energy Taskforce recommendations advising that there is an increasing need for more visible and relevant data for all industry participants to be able to utilise. National Grid are committed to providing more data and working with the industry to ensure the data is more visible, relevant, and fit for purpose. RH advised that Recommendations are welcome and are currently ongoing and a consultation to industry will be sent out shortly. . In the meantime, RH is looking at an improved governance process which is quicker and more streamlined governance process with an improved data dictionary.

There is a proposed data governance process that is shown on slide 4 of the presentation provided which shows what the process would be for adding, amending, or deleting a new data item.

There is a Data Community Website which is hosted by National Grid, this currently has circa 50 members. The intention is that whenever a new data item is required, the Data Community Website would be used as a forum and also advised that if anyone has any questions or needed any additional information to contact her.

Next Steps

National Grid plan to take this to the July 2020 UNCC to seek approval for the UNC Operations Reporting Manual (UNCORM) and the UNC Data Dictionary Updates. Go-Live is intended for August 2020.

7. 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 Friday 02 July 2020	Teleconference	Transmission Workgroup standard Agenda plus any associated Modifications

10:00 Friday 06 August 2020	TBC	Transmission Workgroup standard Agenda plus any associated Modifications
10:00 Friday 03 September 2020	TBC	Transmission Workgroup standard Agenda plus any associated Modifications

Action Table (as at 04 June 2020)					
Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0301	05/03/20	1.2	<p><i>Ofgem Update - Decision to reject Uniform Network Code (UNC) 667: Inclusion and Amendment of the Entry Incremental Capacity Release Net Present Value test in the Uniform Network Code:</i></p> <p>Ofgem to provide further clarity on the progression of decarbonisation in order to better understand the decision to reject Modification 0667.</p>	Ofgem	Carried Forward
0302	05/03/20	1.2	<p><i>Ofgem Update - Decision to reject Uniform Network Code (UNC) 667: Inclusion and Amendment of the Entry Incremental Capacity Release Net Present Value test in the Uniform Network Code:</i></p> <p>With reference to the NPV Test to progress decarbonisation, Ofgem to provide clarity on the direction of travel.</p>	Ofgem	Carried Forward
0601	04/06/20		<p><i>Modification 0726 (Urgent):</i></p> <p>All Workgroup Participants to submit any questions to Jon Dixon, Ofgem. Joint Office will publish these alongside the Modification.</p>	All	Pending

UNC Workgroup 0705R Minutes
NTS Capacity Access Review
Thursday 04 June 2020

Attendees		
Lorraine O'Shaughnessy Chair)	(LOS)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Aisling Jenson-Humphreys	(AJH)	Conoco Phillips
Adam Bates	(AB)	South Hook Gas
Andrew Pearce	(AP)	BP
Angus Paxton	(AP)	Poyry
Anna Shrigley	(AS)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Christiana Sykes	(CS)	Shell
Chris Wright	(CW)	Exon Mobil
Debra Hawkin	(DH)	TPA Solutions
Emma Buckton	(EB)	Northern Gas Networks
Henk Kreuze	(HK)	Vermillion
Hilary Chapman	(HC)	SGN
India Koller	(IK)	SGN
Iwan Hughes	(IH)	VPI Immingham
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Jon Dixon	(JD)	Ofgem
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KN)	ESB
Kamla Rhodes	(KR)	Conoco Phillips
Leyon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Paul Youngman	(PY)	Drax
Pavanjit Dhesi	(PD)	Interconnector
Richard Pomroy	(RP)	Wales and West Utilities
Shiv Singh	(SS)	Cadent
Steven Britton	(SB)	Cornwall Energy
Steve Pownall	(SP)	Xoserve
Terry Burke	(TB)	Equinor
Will Webster	(WW)	Oil and Gas UK

Copies of all papers are available at: www.gasgovernance.co.uk/0705/040620

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 October 2020.

1.0 Introduction and Status Review

1.1. Approval of Minutes (07 May 2020)

The minutes from the previous meeting were approved.

2.0 For June discussion:

2.1. User Commitment Updates

Entry User Commitment

Jennifer Randall (JR) explained to Workgroup that as a result of discussions held at the April 2020 Workgroup, National Grid agreed to look at the pros and cons of the proposed options, consequences and risks and how they can be mitigated.

JR advised Workgroup as discussed earlier under Pre Mod discussion, that National Grid are intending to raise a new Modification which will look at existing capacity (capacity that is within baseline) and the requirements.

Loraine O'Shaughnessy (LOS) advised Workgroup that the July UNC Panel agenda is exceptionally busy and asked Workgroup their views on consideration on moving the discussion to August.

Adam Bates (AB) advised that this modification has been around since October 2018 and expressed concern on any further delay, Nick Wye also concurred that this should be brought to July Panel. LOS asked Ofgem if they had any views, no comments were provided. Some Workgroup participants expressed their preference for the Modification to be raised asap and they would prefer it to go to July UNC Panel.

Steve Pownall (SP) asked what the potential implementation date might be as Xoserve support many processes, including PARCA, that this could affect. JR advised whereas there are no system impacts envisaged, as part of the development, National Grid will include an impact assessment.

JR confirmed the drafting of the Modification would be ready for the July 2020 Workgroup.

2.2. Exit User Commitment

JR reminded Workgroup that at the April Workgroup she presented various options around Exit User Commitment where it was understood that Workgroups preferred option for National Grid to follow up in more detail, was the option around the removal of the enduring product.

This was discussed further at the May 2020 Workgroup where it was clarified that Option D is not necessarily Workgroups preference.

JR advised, moving forward, analysis will be a two-stage approach, in the short-term amendments to the existing regime to solve the immediate problems and in the longer term, a fundamental review of the exit capacity regime including Zonal, mirroring Entry regime and then at this stage it may be more appropriate to run a consultation

Action 0404: Exit User Commitment: Option D: National Grid (JR) to look further into option D and provide more clarity.

Update: JR advised this action will be completed as part of the consultation. This action should be carried forward and reviewed in September 2020 alongside Action 0501.

Referring to the Exit User Commitment problem, JR explained there are two sides to look at the problem:

1. Users are finding it increasingly difficult to forecast capacity requirements 4 years in advance. Once long term capacity is booked, Users then face 4 years User Commitment which also means Users are unable to reduce their capacity for 4 years if forecasts reduce.

2. If Users do not purchase enduring capacity, they run the risk of capacity at the Exit point the User is active at, being substituted away.

Looking at the two-sided problems should help to show the balance attempted to be struck by Users in terms of their capacity booking behaviours.

JR advised that User Commitment mainly impacts Distribution Networks whereas substitution is a problem for other parties.

LOS advised Workgroup that Joint Office have received a paper from Bethan Winter (BW) which is a Wales & West Utilities Case Study of the Capacity Access Review which is appropriate to share at this stage in the agenda.

BW introduced her Case Study and advised Workgroup that it focusses on the Maelor Offtake which she explained feeds all of Wales North, has a simple relationship between LDZ forecast and Offtake Capacity requirement, has no flow swapping options for networks (NTS or WWU) and no ability to respond to cost drivers, e.g. to follow cheaper capacity.

Referring to Peak day forecasting in 2012, BW advised the graph shows variability in the forecasts received from NTS for the steady progression scenario 2011 to 2012. The WWU forecast in 2012 using Section H data and User commitment 2015/6 to 2018/9.

In comparison, BW provided a view of Peak day forecasting in 2018, this can be found on Slide 5 of the Case Study. This graph shows User Commitment in the first year that results in overbooking capacity at Maelor for 2018/19. Reductions to enduring capacity were not made for the second and subsequent years as the opportunity to do that in 2019 would create risks around increasing capacity at a later date, which would result in User Commitment.

Paul Youngman (PY) commented that it is good to appreciate there are a number of different things to take into consideration and thanked BW for providing the information. He noted the difference between WWU steady progression and National Grid steady progression is quite large and asked BW to explain. BW advised that WWU include assumptions around Power Stations that might be down and if WWU added all GDN forecasts, they would get to a higher number in aggregate, she added WWU do liaise with National Grid on a regular basis.

Julie Cox (JCx) agreed and commented, there is a concern there is such a difference between the National Grid view and the Network view. JCx advised that Section H data was included in the Forecasted Contracted Capacity (FCC) development process, it was identified that the Section H data was the better set of numbers to use than the methodology, however, there is no transparency over the Section H data.

JR advised the Section H information sounds like it provides a better forecast of DN requirements. National Grid struggle with no commitment behind the Section H data. For National Grid to rely more on Section H, it would need a mechanism to ensure its robustness.

Nick Wye (NW) observed that it is clear there is a competing dynamic with DNs overbooking, looking at the other extreme, facilities such as Storage are unable to book levels of capacity they require. He advised there are significant concerns around the potential of substitution, when a User buys capacity on a longer term basis, it has no value, he added there may be a value to the longer term booked Capacity if there are competing Users. NW suggested it would be an advantage if Users were allowed to switch Capacity between themselves, but the capacity to have a value.

NW advised he may bring the suggestion back to next Workgroup in July 2020 as he needed time to analyse further.

In summary BW advised the Section H data is more accurate than commercial bookings in the event that annual or daily capacity may be used to top up enduring capacity and User Commitment mean DNs are unable to reduce capacity to reflect reductions in requirements.

JR went on to explain the Exit User Commitment Options which are outlined in the presentation provided. She explained National Grid recognise that different options will be relevant to different parties and that Workgroup may come to a conclusion of maybe one or a combination of options and advised that the Workgroup is currently in a stage of suggesting pros and cons and that the next stage will be to quantify and qualify.

Options for consideration – Exit User Commitment:-

User Commitment	1	No User Commitment for bookings within baseline capacity
	2	1 year User Commitment for bookings within baseline capacity
	3	Withhold 10% of baseline capacity or sold capacity for short-term auctions
Substitution	4	Proving a notice of geographical location of application which has triggered substitution (and an opportunity to buy capacity) following substitution signalled through Enduring application process (and QSEC)
	5	First refusal – once substitution donor point is identified, existing capacity holding party at that point gets first refusal of the capacity
	6	Retainer (an amended entry provision)
	7	All capacity signals to be met via substitution to be signalled through PARCA

Workgroup discussed the options presented and made the following comments:

NW commented that the emphasis appears to be more on processes National Grid might face in terms of having to invest rather than substitute.

JR clarified that National Grid are very conscious not to implement anything that can be deemed discriminatory. She advised that National Grid are wanting to give the opportunity for Users to buy the capacity they need or they think they need, and that National Grid do not want the scenario where users are hoarding capacity.

PY asked that National Grid liaise with Shippers as well DNs. JR clarified that National Grid have recognised that, and will make sure they will hear views from a broad spectrum of the industry.

JR will continue to work through the options offline and come back to the next Workgroup in July 2020 with some analysis based on the discussions held at this meeting.

BW asked, from the discrimination angle, if there would be a whole system approach to capacity bookings. ML advised he will discuss with the Ofgem member that was at the NTSCMF Workgroup and provide an update.

JCx advised that she did raise the question at the NTSCMF meeting on Tuesday 02 June 2020 regarding different prices and different points which could incentivise certain behaviours across the DNs. This is linked to the idea of removing the incentive. She advised that with a postage stamp approach all of that disappears, the challenge will be how to make sure there is no detriment to the capacity arrangements with the introduction of the new charging regime.

Max Lambert (ML) confirmed he will provide an update to that which will be circulated to the Workgroup.

New Action 0601: *Exit User Commitment.* Ofgem (ML) to provide an update from NTSCMF which will be circulated to Workgroup.

Jeff Chandler (JCh) advised that, from a User perspective, his preference on the substitution solutions being proposed, the most attractive would be the first refusal option, (number 5), as that would be the lower cost option for the industry.

Next steps

JR will look at the analysis to support some of the cons within the options for Exit User Commitment

2.3. Exit Consultation

Action 0501: National Grid to develop consultation regarding the User Commitment options.

Update: JR advised National Grid do intend to hold a consultation on the various User Commitment options but this will be done at a later stage when the fundamental changes are recognised.

It was agreed to keep the action open and to review in September 2020.

JR advised that the new Charging Review impacts may need to be embedded before this consultation can take place. **Carried Forward**

3.0 Review of Outstanding Actions

4.0 Next Steps

LOS confirmed that the next steps were as detailed below:

Entry User Commitment

- National Grid will present their pre-modification on existing capacity at the next meeting in July 2020.

Exit User Commitment

- JR will look at the analysis to support some of the cons within the options for Exit User Commitment

5.0 Any Other Business

None.

6.0 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	Workgroup Programme
10:00 Thursday 04 June 2020	TBC	Detail planned agenda items. Development of Workgroup Report
10:00 Thursday 02 July 2020	TBC	Detail planned agenda items. Development of Workgroup Report
10:00 Thursday 06 August 2020	TBC	Detail planned agenda items. Development of Workgroup Report

Action Table (as at 04 June 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0404	02/04/20	2.1	Exit User Commitment: Option D: National Grid (JR) to look further into option D and provide more clarity	National Grid (JR)	Carried Forward
0501	07/05/20	2.1	National Grid to develop consultation regarding the User Commitment options	National Grid (JR)	Carried Forward
0601	04/06/20	2.2	New Action 0601: <i>Exit User Commitment.</i> Ofgem (ML) to provide an update from NTSCMF which will be circulated to Workgroup	Ofgem (ML)	Pending

UNC Workgroup 0716 Minutes
Revision of Overrun Charge Multiplier
Thursday 04 June 2020

Attendees		
Lorraine O'Shaughnessy Chair)	(LOS)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Aisling Jenson-Humphreys	(AJH)	Conoco Phillips
Adam Bates	(AB)	South Hook Gas
Andrew Pearce	(AP)	BP
Angus Paxton	(AP)	Poyry
Anna Shrigley	(AS)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Christiana Sykes	(CS)	Shell
Chris Wright	(CW)	Exon Mobil
Debra Hawkin	(DH)	TPA Solutions
Emma Buckton	(EB)	Northern Gas Networks
Henk Kreuze	(HK)	Vermillion
Hilary Chapman	(HC)	SGN
India Koller	(IK)	SGN
Iwan Hughes	(IH)	VPI Immingham
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Jon Dixon	(JD)	Ofgem
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KN)	ESB
Kamla Rhodes	(KR)	Conoco Phillips
Leyon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Paul Youngman	(PY)	Drax
Pavanjit Dhesi	(PD)	Interconnector
Richard Pomroy	(RP)	Wales and West Utilities
Shiv Singh	(SS)	Cadent
Steven Britton	(SB)	Cornwall Energy
Steve Pownall	(SP)	Xoserve
Terry Burke	(TB)	Equinor
Will Webster	(WW)	Oil and Gas UK

Copies of all papers are available at: www.gasgovernance.co.uk/0716/040620

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 June 2020.

1.0 Introduction and Status Review

Loraine O'Shaughnessy (LOS) updated Workgroup that at the May UNC Panel meeting, it was mentioned that this Workgroup would be reporting to the July 2020 UNC Panel. LOS advised this Workgroup should actually be reporting to June 2020 UNC Panel, both Anna Stankiewicz ASt and Nick Wye (NW), the proposers of 0716 and 0716A agreed.

1.1. Approval of Minutes (7 May 2020)

The minutes from the previous meeting were approved.

1.2. Review outstanding actions

No outstanding actions to consider.

2.0 Consideration of New Alternative 0716A

LOS advised that a full brief of the alternative to Modification 0716 was provided to the May 2020 UNC Panel. Details of this presentation, can be found here: www.gasgovernance.co.uk/panel/210520.

3.0 Consideration of Amended Modification 0716

LOS advised that no further amendments have been made since the last meeting for Modification 0716 and reminded workgroup that on the basis of this the development of the Workgroup Report had commenced and comments captured.

4.0 Consideration of questions from Panel

4.1. Consider Consumer Impacts

This question has previously been discussed and is included in the Workgroup Report.

4.2. Consider materiality of the proposal in terms of governance of the Modification

This point has been addressed in the Workgroup Report.

5.0 Development of Workgroup Report

LOS advised workgroup that following the determination from UNC Panel in May, that the Modification for 0716A had been amalgamated into the Workgroup Report which already included 0716 comments and then commenced an onscreen review of the current version of the draft Workgroup Report, v0.3 dated 2 June 2020.

Within the Impact Assessment, LOS provided a detailed review of the assessment and advised that as agreed at May's workgroup that an offline discussion had taken place with both proposers ASt and NW of 716 and 716A respectively to review the current status of the Workgroup report, in preparation for June Workgroup.

PY asked if it could be made clearer to avoid any confusion, if the Workgroup Report could be highlighted where text refers to 0716 or 0716A as having only the colour change was not very clear throughout the Report.

LOS agreed to update this following the meeting which workgroup were happy to take this offline. LOS then reviewed the Workgroup Impact Assessment that had been prepopulated prior to the meeting with both proposers comments and those comments already captured during May Workgroup. in line with Workgroup comments.

LOS then went on to update live amendments to the Workgroup Report incorporating all of Workgroups comments, including the proposers of both Modifications, in order to finalise the report so that it can be submitted to June UNC Panel.

SP asked during discussions on testing the system for the change to multiplier, , if a Rough Order of Magnitude (ROM) had been raised and provided to Xoserve. ASt advised Workgroup they were advised this will be implemented as part of Business as Usual processes, there are no system changes envisaged.

Steve Pownall (SP) SP highlighted that although there may not be any system changes, Xoserve support National Grid with many manual processes, he agreed to follow this up internally. It was also confirmed that the multiplier is not hard coded, SP suggested this should be tested and that testing should not take too long.

The proposers wished to note as a recommendation to panel, that Modification 0716 and 0716A were raised as conditional Modifications as a result of Modification 0678A - Amendments to Gas Transmission Charging Regime (Postage Stamp), being approved by Ofgem. On the 28 May 2020 Ofgem provided their direction that Modification 0678A should be implemented as of 01 October 2020. LOS added this to the Workgroup Report.

LOS asked the proposers when the Legal text would be available in order to meet the June UNC panel deadline, (ASt) advised that she is in discussion with the National Grid Lawyers and looking to finalise the Legal Text. NW asked if the Legal Text for 716A could use this Legal Text as the only change is the multiplier. LOS asked workgroup following ASt's explanation of the small change to Legal Text, if Workgroup are comfortable with the intention of the Legal Text and that it will be published alongside the Workgroup Report as soon as it is provided to the Joint Office.

This concluded the Workgroup Report review. LOS confirmed she will now format and provide a clean final version which will be submitted to the June 2020 UNC Panel.

6.0 Next Steps

Lorraine O'Shaughnessy (LOS) summarised the next steps:

- Submission of the Workgroup Report and Legal Text to June 2020 UNC Panel.

7.0 Any Other Business

8.0 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	Workgroup Programme
No more planned meetings		

Action Table (as at 04 June 2020)

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

UNC Workgroup 0720S Minutes
Amendments to the Agreed Target Quantity at the Moffat Interconnection Point
Thursday 04 June 2020

Attendees		
Lorraine O'Shaughnessy Chair)	(LOS)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Aisling Jenson-Humphreys	(AJH)	Conoco Phillips
Adam Bates	(AB)	South Hook Gas
Andrew Pearce	(AP)	BP
Angus Paxton	(AP)	Poyry
Anna Shrigley	(AS)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bethan Winter	(BW)	Wales & West Utilities
Bill Reed	(BR)	RWE
Christiana Sykes	(CS)	Shell
Chris Wright	(CW)	Exon Mobil
Debra Hawkin	(DH)	TPA Solutions
Emma Buckton	(EB)	Northern Gas Networks
Henk Kreuze	(HK)	Vermillion
Hilary Chapman	(HC)	SGN
India Koller	(IK)	SGN
Iwan Hughes	(IH)	VPI Immingham
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Jon Dixon	(JD)	Ofgem
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamila Nugumanova	(KN)	ESB
Kamla Rhodes	(KR)	Conoco Phillips
Kirsty Ingham	(KI)	ESB <i>(0720 Agenda only)</i>
Leyon Joseph	(LJ)	SGN
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Paul Youngman	(PY)	Drax
Pavanjit Dhesi	(PD)	Interconnector
Richard Pomroy	(RP)	Wales and West Utilities
Shiv Singh	(SS)	Cadent
Steven Britton	(SB)	Cornwall Energy
Steve Pownall	(SP)	Xoserve
Terry Burke	(TB)	Equinor
Will Webster	(WW)	Oil and Gas UK

Copies of all papers are available at: www.gasgovernance.co.uk/0720/040620

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 July 2020.

1.0 Introduction and Status Review

Lorraine O'Shaughnessy provided a recap of the Modification and advised the Workgroup that the Workgroup Report is due to be presented to the July UNC Panel.

1.1. Approval of Minutes (07 May 2020)

The minutes from the previous meeting were approved.

1.2. Review outstanding actions

No outstanding Actions to review.

2.0 Initial Representations

2.1. ESB Initial Representation

LOS advised that ESB had sent through an initial Representation which had been discussed during May's meeting and as a result of these discussion (MM) agreed to update the Modification to clarify the points raised and make consistent the language when referring to GNI Republic of Ireland (ROI) and/ GNI UK.

The detail of the amendments made to the Modification can be found in agenda item 3.0.

3.0 Amended Modification

MM provided a revised track-changed Modification version 1.1. LOS advised Workgroup the amendment was provided as a late paper and asked Workgroup to accept it as such.

MM explained there are three categories of change to the Modification:

1. Clarifying the solution
2. Correcting reference to GNI and GNI UK
3. Clarify changes required to both the Interconnection Agreement between National Grid and IUK and the tripartite agreement between National Grid, GNI UK and GNI ROI.

MM confirmed that most of the changes are administrative amendments.

MM recapped the background which set the context of the Modification. He explained that National Grid currently receive an Offtake Profile Notification (OPN) from GNI UK which contains their end of day quantity forecast.

The issue is that the OPN, under this method, is consistently understated at the start of the day and gets more accurate towards the end of the day.

This Modification will allow GNI UK to submit a more accurate OPN at the start of the day.

MM went on to highlight the amendments he intends to make to the Modification, these can be found in detail in the published change-marked draft Modification here: www.gasgovernance.co.uk/0720/040620, and are mainly as follows:

How

MM has added in reference to the Tripartite Agreement between National Grid, GNI (UK) and GNI in addition to the Interconnection Agreement.

Kirsty Ingham (KI) advised that where 'GNI System Demand' is referred to in the Modification, this can mean Republic of Ireland, GNI and Isle of Man. She stated that further clarification may need to be made in the Modification to clarify this as if the Modification is only looking at GNI ROI demand, this will not include the Isle of Man demand.

MM confirmed that the GNI demand is the largest component and that GNI (UK) shares the information with National Grid from GNI or Premier Transmission Limited (PTL).

MM also confirmed National Grid will be having follow up discussions with PTL as well.

MM will provide more clarity in the revised Modification to explain what GNI System Exit Demand is and if it is referring purely to GNI ROI.

Why Change

MM advised that some clarifications have been made in this section.

Solution

In line with last month's Workgroup discussions MM has included the concept for the Agreed Target Quantity (ATQ).

Legal Text

MM has added clarification that amendments will be made to two agreements, the Moffat Interconnection Agreement between GNI (UK) and National Grid and also to the Tripartite agreement between National Grid, GNI(UK) and GNI.

MM advised Workgroup there have been no further changes to the Legal Text as reviewed at last month's Workgroup meeting. There is one pending update with regards to if there is a constraint on the NTS and if the new methodology works. The proposal being to refer back to current method in a constraint situation, this will be updated on the revised modification.

LOS asked when the amended Modification would be submitted and MM envisaged within the next two weeks.

New Action 0601: MM to provide an amended Modification incorporating Workgroup request for clarification on what GNI System Exit Demand specifically refers to and the solution where constraints occur.

4.0 Consideration of questions from Panel

4.1. How the protections are put into place for consequential impact and are the Modification Rules appropriate for this and is there an alternative solution?

Although this question has previously been discussed, Paul Youngman (PY) suggested more detail is required to substantiate the feedback from Workgroup to UNC Panel, these comments were discussed and captured in the Workgroup Report development Item 5.

MM advised that there are two protections in place:

1. At midnight, the process for determining the ATQ shall revert back to current arrangement to ensure there is no impact on the Operational Balancing Arrangement (OBA).
2. In the event of a constraint, the process to determine the ATQ will also revert back to current arrangements.

4.2. Workgroup to discuss if this should come back to Panel for consideration if Self Governance.

Although this question has previously been discussed MM advised that this Modification should follow Self Governance as it is a mechanical change which has no materiality impacts identified.

5.0 Development of Workgroup Report

LOS provided a review of the draft Workgroup Report which had incorporated the updates discussed in, version 0.2 dated 04 June. Live amendments were made to the Workgroup Report incorporating all of Workgroup comments, including the proposers.

As part of the development of the Workgroup Report, Workgroup revisited the questions referred to from UNC Panel, the commentary of which is included in agenda item 4.0.

6.0 Next Steps

LOS confirmed the next steps:

- MM to provide a revised Modification.
- LOS will update the Workgroup Report in line with the new version of the Modification.
- Completion of the Workgroup Report at the next meeting in July.

7.0 Any Other Business

None.

8.0 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
10:00 Thursday 02 July 2020	TBC	<ul style="list-style-type: none"> • Detail planned agenda items. • Completion of Workgroup Report

Action Table (as at 04 June 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0601	05/06/2020	3.0	MM to provide an amended Modification incorporating Workgroup request for clarification on what GNI System Exit Demand specifically refers to and the solution where constraints occur.	National Grid (MM)	Pending