

UNC Workgroup 0696 Minutes

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

Thursday 27 June 2019

at Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Alsarif Satti*	(AS)	Ofgem (0696 only)
Andy Clasper	(AC)	Cadent
Bob Fletcher	(BF)	Joint Office
Brandon Rodrigues*	(BR)	ESP Utilities
Carl Whitehouse*	(CW)	Shell
Dave Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates Ltd
Guv Dosanjh	(GD)	Cadent
Hilary Chapman	(HC)	SGN
Joanna Ferguson	(JF)	Northern Gas Networks (joined at 12pm)
Joel Martin*	(JM)	SGN
Jonathon Trapps*	(JT)	Northern Gas Networks (0687 only)
Julie Cox*	(JC)	Energy UK (0696 only)
Julie Jeffries*	(JJ)	Spark Energy
Kate Mulvany	(KM)	Centrica
Kirsty Dudley	(KD)	E.ON
Louise Hellyer	(LH)	Total Gas & Power Limited
Mark Jones	(MJ)	SSE
Phil Lucas*	(PL)	National Grid NTS
Richard Pomroy	(RP)	Wales & West Utilities
Sean Hayward*	(SH)	Ofgem (0696 only)
Shardul Pandit*	(SP)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

*via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0695/270619

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 July 2019.

1.0 Outline of Modification

Gareth Evans (GE) talked through the purpose of the Modification and explained that the current discrepancies between the Network Exit Agreement (NExA) capacity release process and how system capacity is released to the market. It is proposed that any new or additional capacity requested under the UNC should only be chargeable from the date the capacity released, as set out in the relevant NExA.

2.0 Initial Discussion

Richard Pomroy (RP) said that it is interesting tying in the NExA terms with capacity and that Shippers should speak to the customer which would highlight any discrepancies

In agreement with RP, Joanne Ferguson (JF) said that, in addition, there was a ROM raised a while ago requesting better visibility of NExAs on the Xoserve systems. Additional visibility of the existence of NExAs is something that is currently on the Transporters' radar. However, to go to full systematisation of capacity release dates and quantities would be a substantial change.

David Mitchell (DM) commented on the summary section. Under the heading of Context, it mentions "*A consumer has been disadvantaged by the inconsistencies in the Capacity Referral process not taking into account the limitations set out by the relevant Transporter in the NExA*" and asked for that statement to be removed due to it being misleading.

GE explained the rationale for the statement, but DM requested more context should be included in the Modification around this statement.

DM clarified that the Network Code does allow the Shipper to be party to the NExA, but it was noted that this type of arrangement is not mandatory.

A Workgroup member asked how much of a system change would need to be put in place to address the size of the issue. Joanne Ferguson (JF) confirmed that NGN have approximately 15-20 NExAs in place, it is her recollection that the customers rarely change their capacity arrangements, therefore, this issue has not been seen.

A key question was asked as to whether the misalignment actually prevents the Shipper accessing the capacity. GE advised it is his understanding that NExA capacity release is tied to the physical availability and that breaches of NExA bookings could cause problems to the Network.

GE said that in his view the NExA should be the more important document out of the two. Julie Cox (JC) concurred with this view.

Workgroup agreed that more clarity and robustness is required in the Modification.

In discussing the solution, there was discussion over the proposed Business Rules; particularly the Modification's retrospective nature although concern was also raised as to whether the operative word Business Rule 1 should be changeable or available:

Business Rule 1

Any requests for new or additional capacity shall, where a relevant NExA exists, only be **changeable** from the relevant date set out in the NExA.

Business Rule 2

This change would be effective from [1st September 2018].

RP said that the Proposer does not adequately justify the need for retrospection in the Modification and that a more explicit justification should be included in a revised proposal.

GE countered that the Workgroup Report should demonstrate the advantages and disadvantages regarding retrospectivity.

2.1. Issues and Questions from Panel

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

2.2. Initial Representations

None received.

2.3. Terms of Reference

A Workgroup Individual Terms of Reference has been published.

3.0 Next Steps

There may be an amended Modification which will include the justification of retrospection.

Currently, the timeframe in the Modification suggests that the Workgroup should be concluded today, or it should go back to UNC Panel to request an extension. It was agreed that an extension should be sought.

Workgroup could not agree on whether a one-month or a two-month extension should be requested at UNC Panel in July. In this circumstance, the request was that UNC Panel should vote on the length of the extension.

GE will revise the Business Rules.

4.0 Any Other Business

None raised.

5.0 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
10:30, Thursday 25 July 2019	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Detail planned agenda items. <ul style="list-style-type: none">• Amended Modification• Consideration of Business Rules• Review of Impacts and Costs

Action Table (as at 27 June 2019)

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