

UNC Workgroup 0592S Minutes
Separation of National Grid Transmission and Distribution owned
networks – Transitional invoicing arrangements
Thursday 28 July 2016
Consort House, 6 Homer Road, Solihull. B91 3QQ

Attendees

Andrew Margan*	(AM)	British Gas
Andy Miller	(AM)	Xoserve
Angela Love*	(AL)	ScottishPower
Bob Fletcher (Chair)	(BF)	Joint Office
Colette Baldwin	(CB)	E.ON UK
David Byrne	(DB)	National Grid Distribution
David Mitchell	(DM)	Scotia Gas Networks
Fraser Mathieson	(FM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye Associates
Gavin Anderson*	(GA)	EDF Energy
Joanna Ferguson	(JF)	Northern Gas Networks
Karen Visgarda (Secretary)	(KV)	Joint Office
Lorna Lewin	(LL)	DONG Energy
Mark Jones*	(MJ)	SSE
Martin Baker	(MB)	Xoserve
Paul Rogers	(PB)	National Grid Distribution
Rachel Hinsley	(RH)	Xoserve
Richard Pomroy*	(RP)	Wales & West Utilities
Sean Hayward	(SH)	Ofgem
Shanna Key	(SK)	Northern Gas Networks
Steve Britton*	(SB)	Cornwall Energy
Steve Mulliganie	(SM)	Gazprom
Tahera Choudhury	(TC)	Xoserve
Tim Bishton	(TB)	National Grid Distribution

* *via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0592/280716>

The Workgroup Report is due to be presented at the UNC Modification Panel by 18 August 2016.

1.0 Outline of Modification

PR introduced the modification and overviewed the '0592S – Separation of National Grid Transmission and Distribution owned networks – Transitional invoicing arrangements' presentation. He explained that due to the sale of the Gas Distribution part of National Grid Gas, the modification was required to enable National Grid Gas plc (NGG) to issue Transportation Charge invoices to Shipper Users, which included Transportation Charges which related to National Grid Gas Distribution Limited (NGGD). He said this would be for an interim period following the transfer by NGG of its Gas Distribution business to NGGD on 01 October 2016 (which is the expected 'hive-across' date). He explained the reason for this modification, was due to a potential risk that the necessary system changes in UK Link to allow separate billing of Transportation Charges by each of NGG and NGGD may not be in place in sufficient time. PR was keen to stress that this would be for an interim

period only and the aim was to put in place formal invoicing arrangements before Sale takes place in early 2017. National Grid Gas would provide Shippers and Transporters sufficient notice on the change of invoicing arrangements, which is likely to be more than the stipulated 10 Days.

SMu and CB both said that these aspects needed to be made much clearer in the modification itself and should be reflected in the principles. SMu, CB and AL all said that the notice period was very important from an internal systems perspective, together with the Legal implications of invoicing. SMu said concerning the invoicing process, clarity was needed in regards to when National Grid Gas no longer had 100% control, due to the sale and so should not get 100% of the monies and that there should be protection for Shippers.

PR explained that all Shipper stakeholders were being contacted individually on a regular basis and that Modification 0592S was a standalone modification and was not linked to or dependant upon Modification 0585, which was addressing the Credit Management implications of the separation. MB said that presently Xoserve were not able to provide a definitive date of when the invoicing split for National Grid Gas and NGGD would take place, as this was still be developed. He said that Xoserve would inform the industry at what stage this would be taking place allowing sufficient time. PR then overviewed the schematic timeline in relation to the separate invoicing process. TB and DB said they would amend the wording within the modification to provide clarity around the 100% control aspect regarding monies related to National Grid Gas and NGGD – it is to be clarified that this interim invoicing process would need to be superseded by the formal invoicing arrangements prior to the sale of a controlling portion of NGGD.

Action 0701: National Grid Gas (TB/DB) to amend the wording in the modification to clarify this interim invoicing arrangement would end prior to the sale of NGGD.

Action 0702: Xoserve (MB) to provide notice to the industry of when the invoicing process will change.

PR said if anyone had any further comments about the modification to contact him and direct and that from a legal perspective all comments should be forward to David Byrne.

2.0 Initial Discussion

2.1. Initial Representations

None received.

- 2.2. Issues and Questions from Panel – ‘requested to make a recommendation on SG, with a clear explanation of the material effect’.** PR explained discussions were presently taking place and he said that this modification was also going to be further discussed in the Transmission Workgroup on 04 August 2016 to hopefully resolve this matter.

3.0 Next Steps

BF confirmed that this modification would be further discussed within the Transmission Workgroup on 04 August 2016 and that National Grid Gas would amend the wording in the modification following the discussions, with the modification to be presented to Panel on 18 August 2016.

4.0 Any Other Business

None.

5.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:30 Thursday 04 August 2016	Elexon, 350 Euston Road, London. NW1 3AW.	Detail planned agenda items. <ul style="list-style-type: none"> • Initial consideration of modification

Action Table (As of 28 July)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0701	28/07/16	1.0	National Grid Gas (TB/DB) to amend the wording in the modification to clarify this interim invoicing arrangement would end prior to the sale of NGGD.	National Grid Distribution (TB/DB)	Pending
0702	28/07/16	1.0	Xoserve (MB) to provide notice to the industry of when the invoicing process will change.	Xoserve (MB)	Pending