

Workgroup Terms of Reference

0408S: Moffat and Bacton Interconnectors: Changes to Agreements to Align to UNC Modification 0195AV

Date referred from Panel:

15 December 2011

Background – Why Change?

Please refer to Modification 0408S at www.gasgovernance.co.uk/0408

Solution

Transportation arrangements between National Grid NTS and Shipper Users for the Interconnectors are primarily provided in the UNC, with some additional rules, specific to CSEPs, detailed in the relevant Ancillary Agreement (the "AA"), specifically the Moffat Ancillary Agreement (Amended and Restated CSEP Ancillary Agreement) GB-Ireland Interconnector, and the CSEP Ancillary Agreement UK-Continent Interconnector.

Additionally Network Exit Provisions are contained in the:

- Second Amendment and Restatement Agreement in respect of the Connected Systems Agreement (GB – Ireland Interconnector) between National Grid NTS and BGE (UK) Limited and
- Interconnection Agreement (UK-Continent Interconnector) between National Grid NTS and Interconnector (UK) Limited.

These Network Exit Provisions govern the way in which gas may be offtaken from the NTS at the CSEP and hence can have an effect on CSEP Users at the CSEP. These two agreements with the Interconnector Operators are referred to as the Connected System Agreements (the "CSA"s).

It is necessary that these four agreements are updated to be consistent with UNC Modification 0195AV.

The precise changes proposed, and the justification for using the UNC modification route, are detailed in section 3 of the Modification Proposal at www.gasgovernance.co.uk/0408

Topics for Discussion

- Understanding the objective
- Assessment of alternative means to achieve objective
- Development of Solution (including business rules if appropriate)
- Assessment of potential impacts of the modification
- Assessment of implementation costs
- Assessment of legal text.

Outputs

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup.

Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two User representatives are present.

Meeting Arrangements

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice.