

**UNC Workgroup 0737 Minutes**  
**Transfer of NTS Entry Capacity from a Capacity Abandoned ASEP**  
**Tuesday 01 December 2020**  
**via Microsoft Teams**

<b>Attendees</b>		
Rebecca Hailes (Chair)	(RH)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Alex Nield	(AN)	Storengy
Adam Bates	(AB)	South Hook Gas
Anna Shrigley	(AS)	Eni Trading & Shipping
Bill Reed	(BR)	RWE
Chris Wright	(CWr)	Exxon Mobil
Christiane Sykes	(CS)	Shell
Colin Williams	(CW)	National Grid
Daniel Hisgett	(DHi)	National Grid
Debra Hawkin	(DH)	TPA Solutions
Fredrik Torngvist	(FT)	Gunvor Group
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
John Costa	(JCo)	EDF Energy
Kieran McGoldrick	(KMG)	National Grid
Laura Johnson	(LJ)	National Grid
Lee Stone	(LS)	E.ON
Lorraine O'Shaughnessy	(LOS)	Joint Office
Nick Wye	(NW)	Waters Wye Associates Ltd
Nigel Sisman	(NS)	Sisman Energy Consulting
Nitin Prajapati	(NP)	Cadent
Paul Youngman	(PY)	Drax
Penny Garner	(PG)	Joint Office
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home & Energy Solutions Ltd
Ricky Hill	(RHi)	Centrica
Nasma Sahbani	(NSa)	Engie
Sinead Obeng	(SO)	Gazprom
Terry Burke	(TBu)	Equinor
Thomas Paul	(TP)	E.ON
Copies of all papers are available at: <a href="https://www.gasgovernance.co.uk/0737/011220">https://www.gasgovernance.co.uk/0737/011220</a>		
The Workgroup Report is due to be presented at the UNC Modification Panel by 17 December 2020.		

## 1.0 Introduction and Status Review

### 1.1. Approval of Minutes (03 November 2020)

Rebecca Hailes (RH) noted that Ofgem had provided some amendments to the 03 November 2020 minutes, and these were overviewed by the Workgroup participants.

The minutes from the 03 November 2020 were then approved.

### 1.2. Approval of Late Papers

RH explained there had been one late paper in relation to Modification 0737 which was the Rough Order of Magnitude (ROM). All agreed to accept this paper.

### 1.3. Review of Outstanding Actions

**Action 1101:** Centrica (NW), agreed to provide more information to include the abandoned and discrete elements within the amended Modification v2.0 to enable the Rough Order of Magnitude (ROM) to be raised by Xoserve.

**Update:** NW confirmed this detail had been added into the amended Modification v3.0 and so this action could now be closed. **Closed**

**Action 1102:** Joint Office (RH) to request the Rough Order of Magnitude (ROM) from Xoserve on receipt of the amended Modification.

**Update:** RH confirmed the ROM had been provided and would be discussed within the meeting and so this action could be closed. **Closed**

**Action 1103:** Centrica (RHi) to investigate the Ofgem decisions regarding existing contracts as detailed in Modification 0621- /A/B/C/D/E/F/G/H/J/K/L - Amendments to Gas Transmission Charging Regime and Modification 0678 - /A/B/C/D/E/F/G/H/I/J (Urgent) - Amendments to Gas Transmission Charging Regime, and to include further compliance analysis within the amended Modification.

**Update:** RHi said he had investigated the Modifications in question and the decisions were not relevant in the context of Modification 0737 and so this action could be closed. **Closed.**

**Action 1104:** Centrica (NW) to provide additional FCC analysis from October 2020 for 12 months to generate an under-recovery value.

**Update:** NW confirmed this additional FCC analysis had been provided and included within the amended Modification and so the action could be closed. **Closed.**

**Action 1105:** National Grid (LJ) to provide data on capacity bookings at ASEPs with no flows in the past gas year.

**Update:** Daniel Hisgett (DHi) confirmed that National Grid had investigated this area and that 2 sites had been identified, but the exact detail could not be shared. This action was then closed. **Closed**

**Action 1106:** National Grid CW/LJ to investigate instance where capacity was being held by a party when that party was terminated.

**Update:** DHi explained that this information would be provided for the meeting on 07 December 2020, and NW said he knew there were two parties that could not be identified.  
**Carried forward.**

## 2.0 Amended Modification v3.0

Nick Wye (NW) provided an overview of the amended Modification v3.0 and drew attention to specific changes or alterations as appropriate.

He noted that an extra scenario 2 encompassing the additional FCC analysis from October 2020 for 12 months' to generate an under recovery value had now been included as requested by the Workgroup. This provided a full years' historical flow data from Caythorpe to Easington, as detailed below:

### *Scenario 2*

*In order to examine a full year of costs, in this scenario we have assumed retrospective implementation of the proposal in order to analyse data between 1 October 2020 and 30 Sept 2021. This backward looking approach has been selected as it enable to application of a known reference price for entry capacity, that being the Postage Stamp Reserve Price applied for Gas Year 2020/21.*

*As before, it is assumed that all entry capacity held at the Caythorpe ASEP during this period is transferred to the Easington ASEP.*

*Transfer Request of 90 GWh/d from Caythorpe (donor) to Easington (recipient) for one year*

*Assuming an Exchange Rate of 1:1, table 1 shows a total of 32,940 GWh of Entry Capacity is transferred from Caythorpe to Easington.*

The amended Modification track changes can be viewed via:

<https://www.gasgovernance.co.uk/0737>

NW confirmed that there had been no alterations or changes to the Relevant Objectives.

## 3.0 Joint Office National Grid to have requested the Rough Order of Magnitude (ROM) from Xoserve/CDSP and ideally received a response

RH provided an overview of the ROM and drew attention to the salient information as detailed below:

### Costs and Timescales

*Change Costs (implementation):*

*An enduring solution will cost at least £720,000, but probably not more than £910,000 to implement.*

*Change Costs (on-going):*

*An increase to ongoing support costs will be at least £0, but probably not more than £12,000.*

*Timescales:*

*The high-level estimate to develop and deliver this change is approximately 32 - 40 weeks. This change would need to be prioritised through the Change Management Committee alongside other changes within Xoserve's planned Gemini programme.*

NW and RHi together with other participants were surprised at the costs and the timescales of 32-40 weeks for implementation. NW said that the solution recommended in the ROM goes further than required by systemising all the changes; the solution is 'over-engineered' - all individual elements have been processed into Gemini. His view was that the Modification warrants only an ad-hoc process to be used very occasionally and that a manual workaround would be more suitable for this process - a simple solution which reduces capacity holdings at a donor ASEP and increases at the recipient ASEP.

Some Workgroup Participants (including the Proposer) noted that ROM indicates a very high cost for the likely very small number of industry participants which would benefit from this change.

RH said she would speak to Xoserve/CDSP and request an amended ROM for the meeting on 07 December 2020 if feasible or otherwise for consideration at UNC Modification Panel on 17 December 2020.

<b>New Action 1201:</b> Joint Office (RH) to contact Xoserve/CDSP and request an amended ROM for discussion as soon as possible.
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#### **4.0 Review of additional analysis for clarification**

NW confirmed this analysis had been included (*please refer above to Section 2 Amended Modification for the overview*)

#### **5.0 Further review of compliance**

RHi said that further discussions had taken place to ensure compliance was adhered to throughout the amended Modification in-line with Article 35.

#### **6.0 Review of amended Modification v3.0 to include the Business Rules, analysis and compliance.**

NW explained that he had made the narrative more straight forward accompanied by the appropriate analysis and process flows, to provide further clarity and to ensure examples of the required compliance.

#### **7.0 Review of Legal Text**

RHi and NW explained the Legal Text had only been received on the day of the meeting and so neither of them had had the opportunity to assess it, but that this would be their priority.

RH explained that the Legal Text had been requested at the November Panel and had been provided within the stipulated timelines.

RH said that the Legal Text would now be finalised within the extra NTSCMF on 07 December 2020.

RH then proposed that an extension could be sought from the December Panel, as the Legal Text and Workgroup Report had not yet been signed off. This will be reviewed at the 07 December meeting.

## 8.0 Completion of Workgroup Report

RH confirmed the Workgroup Report would be completed within the extra NTSCMF meeting that would be held on 07 December 2020.

## 9.0 Next Steps

RH said it was her aspiration for the following areas to be confirmed and completed at the extra NTSCMF meeting:

- Review of Legal Text
- Completion of Workgroup Report

## 10.0 Any Other Business

None.

## 11.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Tuesday 07 December 2020  Within extra NTSCMF	5pm Thursday 03 December 2020	Via Microsoft Teams	<ul style="list-style-type: none"> <li>• Review of Legal Text</li> <li>• Completion of Workgroup Report</li> </ul>

### Action Table (as at 01 December 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	03/11/20	2.0	Centrica (NW), agreed to provide more information to include the abandoned and discrete elements within the amended Modification v2.0 to enable the Rough Order of Magnitude (ROM) to be raised by Xoserve.	Centrica (NW)	Closed
1102	03/11/20	2.0	Joint Office (RH) to request the Rough Order of Magnitude (ROM) from Xoserve on receipt of the amended Modification.	Joint Office (RH)	Closed
1103	03/11/20	2.0	Centrica (RHi) to investigate the Ofgem decisions regarding existing contracts as detailed in Modification 0621- /A/B/C/D/E/F/G/H/J/K/L - Amendments to Gas Transmission Charging Regime and Modification 0678 - /A/B/C/D/E/F/G/H/I/J (Urgent) - Amendments to Gas Transmission Charging Regime, and to include further compliance analysis within the amended	Centrica (RHi)	Closed

**Action Table (as at 01 December 2020)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
			Modification.		
<b>1104</b>	03/11/20	2.0	Centrica (NW) to provide additional FCC analysis from October 2020 for 12 months' to generate an under recovery value.	Centrica (NW)	<b>Closed</b>
<b>1105</b>	03/11/20	4.0	National Grid (LJ) to provide data on capacity bookings at ASEPs with no flows in the past gas year.	National Grid (LJ)	<b>Closed</b>
<b>1106</b>	03/11/20	6.0	National Grid CW/LJ to investigate instance where capacity was being held by a party when that party was terminated.	National Grid (CW/LJ)	<b>Carried forward</b>
<b>1201</b>	01/12/20	3.0	Joint Office (RH) to contact Xoserve/CDSP and request an amended ROM for discussion as soon as possible.	Joint Office (RH)	<b>Pending</b>