

**UNC Workgroup 0808 Minutes
Reverse Compression
Tuesday 23 May 2023
via Microsoft Teams**

Attendees

Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Nick King (Proposer)	(NK)	Barrow Shipping
Andy Clasper	(AC)	Cadent
Charlotte Gilbert	(SG)	BU UK
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	CDSP
Edd Green	(EG)	E.ON
Steve Pownall	(SP)	Xoserve

Please note these minutes do not replicate/include detailed content provided within any material published for the meeting, therefore it is recommended that the published material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0808/230523>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 August 2023.

1.0 Introduction and Status Review

Rebecca Hailes (RHa) welcomed parties to the meeting.

1.1. Approval of Minutes (25 April 2023)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

It was noted that an amended Modification and Legal Text had been provided for Workgroup consideration.

1.3. Review of Outstanding Actions

None outstanding.

2.0 Review of Business Rules and Legal Text

David Mitchell (DM) provided the initial draft Legal Text based on the proposed changes to be processed for Version 8.0 of the Modification. DM provided a line-by-line overview of the Legal Text highlighting the introduction of an IGT LDZ System Entry Point. The Workgroup considered TPD Section A1.6 and the definition of an IGT LDZ System Entry Point. It was challenged whether it should be reworded as follows:

2.4 IGT LDZ System Entry Point

An "IGT" LDZ System Entry Point is an LDZ System Entry Point where gas can flow from an IGT System (as defined in IGTAD Section A2.1.1) into an LDZ (in which case the IGT System is a Connected Delivery System) and not otherwise.

The Workgroup understood the intent but was unsure if the provided definition would in effect apply all the rules for LDZ System Entry Points to IGT LDZ System Entry Points, when it is limited to gas flowing from an IGT system into an LDZ which is different.

Other exclusions were provided within the Legal Text to provide further clarity. DM agreed to raise the concern with Dentons (the Legal Text Provider).

A number of other considerations were noted for further consideration with Dentons which included:

- Amending 2.4.
- Capitalisation of defined terms.
- Amending 3.5.3 taking into account the interactions with IGTAD, with Shipper Users and the delivery of gas under TPD Section I 3.6. To ensure it is clear there is no commercial gas flow.
- If Reverse compression between a DN and IGT needs to include a reference to Shipper Users.
- Whether to include a list of sections in the UNC which are not applicable to an IGT LDZ ROV to control gas flow off/on to the network.
- Steve Pownall (SP) challenged that as the changes are not a commercial arrangement, the need for including an operational agreement within the UNC. It was challenged why the UNC would need to recognise operational arrangements. The liabilities with CSEPs were also considered and if this would be considered a commercial flow. It was clarified once gas has passed the notional point under IGT licence conditions the responsibility transfers to the IGT.

Nick King (NK) provided an overview of the amendments made to the Modification (draft Version 8.0). Please refer to the change-marked version of the Modification published at: <https://www.gasgovernance.co.uk/0808/230523>.

DM believed some additional Business Rules were required which would involve a further update to the Legal Text. DM clarified that these changes would not affect the text presented as these would be in addition.

Details of the Additional Business Rules:

- The GDN may require the installation of a Remotely Operable Valve (ROV) to control gas flow off/onto the network.
- The GDN will give the reverse compression facility advance notice of maintenance on its network that will impact the operation of the reverse compression facility this will cover non-operational windows when the GDN requires the reverse compression assets exit/entry volume to be reduced or turned off for network maintenance activities.
- During the period prior to the commissioning of the IGT LDZ System Entry Point to be used for the purposes of reverse compression, the GDN shall, upon request of the relevant Independent Gas Transporter deliver to the Independent Gas Transporter a document (issued in accordance with any processes contained or established in its [4B statement])
 - (1) containing visibility of system changes planned in the period typically addressed in a document of that type which may impact the technical need for and/or commercial usefulness of the reverse compression assets and
 - (2) providing that to the extent network changes are made after the period covered by that document, or where network changes are made during the period covered by that document the need for which could not have been reasonably foreseen by the GDN at the time the document was issued, that the GDN shall have no liability to the Independent Gas Transporter in respect of any asset stranding or other diminution of expected value experienced by those reverse compression assets. By way of context the period covered by the study in question is 5 years.

No objection was expressed to adding the Business Rules within Version 8.0 of the Modification by the Workgroup and the Proposer was also in agreement with the changes. DM confirmed the Legal Text to support these will be provided for the Workgroup to consider at the next meeting.

Steve Pownall (SP) asked NK and DM to confirm if the reverse compression gas flows were to be considered as physical/operational rather than commercial (Shipper-User gas flows). It was confirmed there would be no requirement for Shipper Users to nominate gas flows at the proposed IGT LDZ System Entry Point. SP replied in which case, the CDSP would not be required to register these IGT LDZ System Entry Points on Central Systems. NK confirmed there was no requirement for any update to Central Systems as reverse compression was an inter-operator i.e. DN / IGT physical flow arrangement. SP requested the Workgroup Report should record the confirmation that there are no commercial gas flows nor impacts to CDSP Central Systems associated to this change.

DM enquired about gas quality assurances, for example, to avoid contamination with oil, and if this also needs to be included in the Modification when updated.

The Workgroup also considered the payment of charges within UNC Section I.

3.0 Development of Workgroup Report

The Workgroup briefly considered the Workgroup Report to capture the key points. It was envisaged that the report would be finalised at the June meeting, once the final Modification updates have been formally processed.

Andy Clasper (AC) asked for the Workgroup Report to capture Cadent's view in that the industry (Transporters/DNs) cannot operate and develop an economic and efficient network with 3rd parties owning and operating lots of in-grid compressors.

4.0 Next Steps

RH clarified the next steps:

- Proposer to submit a formal amended Modification in line with Workgroup discussions and additional Business Rules as soon as possible.
- Legal Text to be provided based on forthcoming Version 8.0 of the Modification with the additional business rules discussed, consideration of additional questions from the Workgroup and legal text commentary by 19 June 2023.
- Final Review of Legal Text and Completion of the Workgroup Report on 28 June 2023.

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	Paper Publication Deadline	Venue	Workgroup Programme
13:00 Wednesday 28 June 2023	5pm 19 June 2023	Microsoft Teams	Review of Amended Modification and Legal Text Completion of Workgroup Report