

**UNC Workgroup 0765 Minutes**  
**Tuesday 06 July 2021**  
**via Microsoft Teams**

**Attendees**

Eric Fowler (Chair)	(EF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Adaeze Okafur	(AO)	Equinor
Adam Bates	(AB)	South Hook Gas
Alex Nield	(AN)	Storengy
Carlos Aguirre	(CA)	Pavilion Energy
Chris Wright	(CW <sub>r</sub> )	ExxonMobil
Christiane Sykes	(CS)	Shell
Colin Williams	(CW)	National Grid
Dave Bayliss	(DB)	National Grid
Jeff Chandler	(JCh)	SSE
Jen Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JC <sub>x</sub> )	Energy UK
Kamla Rhodes	(KR)	ConocoPhillips
Kieran McGoldrick	(KM)	National Grid
Lauren Jauss	(LJ)	RWE
Nick Wye	(NW)	Waters Wye Associates
Nigel Sisman	(NS)	Sisman Energy Consulting
Pavanjit Dhesi	(PD)	Interconnector UK
Rebecca Hailes	(RH)	Joint Office
Richard Hewitt	(RHe)	Hewitt Home & Energy Solutions
Terry Burke	(TBu)	Equinor
Sinead Obeng	(SO)	Gazprom Marketing & Trading

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0765/060721>

**1. Introduction and Status Review**

Eric Fowler (EF) welcomed everyone to the meeting.

**1.1. Approval of Minutes (04 May 2021 & 01 June 2021)**

04 May 2021

In noting the change marked version of the 04 May 2021 meeting minutes published ahead of the meeting, those Workgroup participants in attendance approved the minutes as provided.

01 June 2021

During an onscreen review of the change marked 01 June 2021 meeting minutes, kindly provided by J Cox, criticism was voiced over the accuracy of the prose and whether, or not, an action had been missed during discussions on item 2.1.

Responding EF and RH explained that the points raised in the change marked minutes had been considered and suitable responses / clarifications included (where appropriate) within

the draft Workgroup Report v0.5 dated 06 July 2021 which would be considered under agenda item 5. below.

Thereafter, the 01 June 2021 minutes were approved.

## 1.2. Approval of Late Papers

None to consider.

## 1.3. Review of Outstanding Actions

**0601:** *Reference Capacity Neutrality (REV) Credit Received monitoring table* – National Grid (LJ) to enhance the table to include a ‘Net Position’ column and thereafter provide regular updates.

**Update:** When C Williams (CW) explained that a response to this action would be provided when undertaking consideration of the ‘*Retrospective Capacity Neutrality Assessment*’ presentation under agenda item 3. below, parties in attendance agreed that the action could now be closed. **Closed**

**0602:** *Reference % of RRC Analysis* – National Grid (CW) to consider providing confirmation of the actual RRC percentage value and breakdown and whether the RRC under / over recovery results in a fully neutralised position.

**Update:** As per the explanation provided for action 0601 above, parties in attendance agreed that the action could now be closed. **Closed**

**0603:** *Reference Legal Text and Supporting Explanatory Table* – All parties to consider the legal text and explanatory table and provide views at the 06 July 2021 Workgroup meeting.

**Update:** As there were no adverse comments in respect of the legal text and accompanying explanatory table, parties in attendance agreed that the action could now be closed. **Closed**

## 2. Consideration of Amended Modification

There was no amended Modification to consider at the meeting. It was agreed to remove this agenda item until such a time as an amended Modification is raised for consideration.

## 3. Consideration of Retrospectivity

CW provided an overview of the updated information contained within the ‘*Retrospective Capacity Neutrality Assessment*’ presentation.

Focusing attention on the ‘*Examples (includes Action 0601)*’ slide, during which CW confirmed that the information displayed under the ‘*Net position (Credit minus Debit)*’ column related to the actual accrued to date, which maybe subject to further change, although the underlying mechanism would not change.

In terms of the monetary values in the column, a + value denotes a payment made to the Shipper and a – value a charge levied at the Shipper.

N Sisman (NS) suggested that the ‘key’ issue to recognise relates to how the Modification effects different Shippers in different ways, which potentially results in significant monetary swings between ‘winners’ and losers’ – he believes that the Modification, if implemented, should help to ‘unwind’ the inter-Shipper distortions.

In examining the data provided on both the ‘*Updated graph which includes February 21 to April 21 data from 01/06*’ slide 6 and the ‘*Updated graph which includes February 21 to May 21 data from 01/06*’ slide 7, J Chandler (JCh) enquired as to why there appears to be little difference between the April and May data. Responding CW explained that this reflects the relatively small proportional changes involved – in short, some parties would benefit, others less so.

When E Fowler (EF) reminded everyone present that at the last Workgroup meeting it was noted that National Grid would continue to provide updated data until such a time as the Workgroup Report is finalised ahead of formal presentation to the UNC Panel for consideration, R Hailes (RH)

explained that this (and CW's points) had already been captured within the draft Workgroup Report due to be considered in more detail under agenda item 5. below. It is also noted that the data is not necessarily required until the potential September 2021 Workgroup Report completion and subsequent submission to the October 2021 Panel.

NS suggested, and Workgroup participants in attendance agreed, that the Workgroup should look to complete the report ahead of the theoretical September target completion date, if able to do so.

#### 4. Legal Text Review

When asked, CW confirmed that the (draft) legal text and explanatory table provided for consideration at the 01 June 2021 Workgroup meeting could now be deemed as final legal text and therefore published on the main Modification (high level) page as such.

#### 5. Development of Workgroup Report

In undertaking a detailed onscreen review of the draft Workgroup Report (v0.5, dated 06 July 2021), RH completed amendments in-line with the feedback provided by those Workgroup participants in attendance.

A high-level summary of the most notable updates to the document undertaken being:

##### Section 6 – Impacts & Other Considerations

The '*Consumer Impact Assessment*' table on page 12 was updated and populated in-line with the view of the Workgroup participants in attendance.

A reference to the Relevant Objectives section was added on page 13.

The '*Analysis*' sub section was enhanced to include a new '*Figure 2: Data presented at 06 July 2021 Workgroup meeting Feb – May 2021*' and accompanying supporting statements on pages 15 & 16.

A new '*Table 1: Example positions of top 7 Shippers as at 06 July 2021*' table added on page 16.

The '*Shipper impacts and competition*' and '*Compliance*' sub-heading on page 16 enhanced to reference the respective standard Relevant Objectives.

##### Section 7 – Relevant Objectives

New statements added to cater for Workgroup participants' views in respect of Relevant Objectives c), d) and g) on pages 18 and 19.

New statements added to cater for Workgroup participants views in respect of Relevant Charging Methodology Objectives a), b) and c) on pages 20 and 21.

##### Section 9 – Legal Text

A new statement highlighting Workgroup participants consideration (and approval) of the legal text and supporting explanatory table provided previously at the 01 June 2021 Workgroup meeting.

During the course of discussions, a new action was assigned to National Grid (CW) to look to provide clarification on which of its Licence Obligations it believes the Modification satisfies and/or furthers.

**New Action 0701:** *Reference Completion of the Workgroup Report* – National Grid (CW) to look to provide clarification on which of its Licence Obligations it believes the Modification satisfies and/or furthers.

Concluding discussions, RH advised that she would now look to consolidate the (draft) Workgroup Report (as v0.6, as at 06 July 2021) and provide it for consideration ahead of the 03 August 2021 Workgroup meeting in order that sufficient time is provided for parties to consider the content and hopefully sign off the report at that meeting.<sup>1</sup>

<sup>1</sup> Please note: a copy of the (draft) Workgroup Report (v0.6, as at 06 July 2021) was published under the 03 August 2021 Workgroup meeting papers immediately after the close of this meeting at: <https://www.gasgovernance.co.uk/0765/030821>

## 6. Next Steps

EF outlined that it is envisaged that at the 03 August 2021 Workgroup meeting, parties would be able to consider updated analysis for the distribution of revenues before looking to complete the Workgroup Report with the aim being to submit the report to the 19 August / 16 September 2021 Panel for consideration, with a recommendation that the Modification is issued to consultation.

## 7. Any Other Business

None.

## 8. 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	Venue	Workgroup Programme
10:00 Tuesday 03 August 2021	Via Microsoft Teams	Detailed planned agenda items
10:00 Tuesday 07 September 2021	Via Microsoft Teams	Detailed planned agenda items

### Action Table (as of 01 June 2021)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
0601	01/06/2021	2.1	<i>Reference Capacity Neutrality (REV) Credit Received monitoring table – National Grid (LJ) to enhance the table to include a 'Net Position' column and thereafter provide regular updates.</i>	National Grid (LJ)	Update provided. <b>Closed</b>
0602	01/06/2021	2.1	<i>Reference % of RRC Analysis – National Grid (CW) to consider providing confirmation of the actual RRC percentage value and breakdown and whether the RRC under / over recovery results in a fully neutralised position.</i>	National Grid (CW)	Update provided. <b>Closed</b>
0603	01/06/2021	4.	<i>Reference Legal Text and Supporting Explanatory Table – All parties to consider the legal text and explanatory table and provide views at the 06 July 2021 Workgroup meeting.</i>	All	Update provided. <b>Closed</b>
0701	06/07/2021	5.	<i>Reference Completion of the</i>	National	<b>Pending</b>

			<i>Workgroup Report</i> – National Grid (CW) to look to provide clarification on which of its Licence Obligations it believes the Modification satisfies and/or furthers.	Grid (CW)	
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