

NTS Charging Methodology Forum (NTSCMF) Minutes
Tuesday 02 April 2019
at Elexon, 350 Euston Road, London, NW1 3AW

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett / Cuin (Secretary)	(HBC)	Joint Office
Adam Bates	(AB)	SouthHook Gas
Andrew Pearce	(AP)	BP
Anna Shrigley	(AS)	ENI
Chris Logue	(CL)	National Grid
Chris Wright	(CW _r)	Exxon Mobil
Colin Williams	(CW _i)	National Grid
David O'Neill	(DON)	Ofgem
Debra Hawkin	(DH)	TPA Solutions
Graham Jack	(GJ)	Centrica
Henk Kreuze	(HK)	Vermilion Energy
James Gudge	(JG)	National Grid
Jeff Chandler	(JCh)	SSE
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	Energy UK
Kamla Rhodes	(KR)	ConocoPhillips
Kirsty Ingham	(KI)	ESB
Nick Wye*	(NW)	Waters Wye
Nitin Prajapati	(NP)	Cadent
Pavanjit Dhesi	(PD)	Interconnector
Paul O'Toole*	(POT)	Northern Gas Networks
Paul Youngman*	(PY)	Drax Power
Penny Garner	(PG)	Joint Office
Penny Jackson*	(PJ)	npower
Sinead Obeng	(SO)	Gazprom Marketing and Trading
Smitha Coughlan*	(SCo)	Wales & West Utilities
Steve Pownall	(SP)	Xoserve
Terry Burke	(TB)	Equinor
* via teleconference		

Copies of all papers are available at: <http://www.gasgovernance.co.uk/ntscmf/020419>

1. Introduction and Status Review

1.1. Approval of Minutes (05 March 2019)

The minutes from the previous meeting were approved.

1.2. Modifications with Ofgem

None.

1.3. Pre-Modification discussions

DH notified the Workgroup of the submission of a new Modification. She explained that the intent of the Modification is to remove the NTS Commodity Rate and provide the industry with adequate notice. The reason for this, following the 0621 decision, is that the current Optional Commodity Rate (OCR) will not be compliant with the Tariff Code, and more importantly all current 0678 Modifications will not have a complaint methodology in place by 31 May 2019.

It was noted that the Optional Commodity Charge (OCC) should be withdrawn, whilst the industry examines other potential options.

A presentation was provided, with a key message that the methodology should be compliant by 31 May 2019, and that the Modifications for 0678 will not conclude in time.

DON enquired if the proposed Modification would build in TARR NC compliance. DH clarified that the Modification does not build in Article 26, as the timetable is very tight. It was suggested that if Article 26 could be put aside there could be compliant charges by 01 October but this would be after the IP Auctions. DH explained that the intent is to look at the OCR, timings and the notice period, and remove OCR with effect 01 October 2019. This would not stop the progression of 0678 but allow time for the next methodology to be approved and allow the process to catch up.

DH noted that if one of the 0678 Modifications could be implemented on 01 October 2019 this proposed Modification would not be required and could be withdrawn. It was intended to raise the Modification as an Urgent Modification and issue directly to consultation.

SP enquired if there would be any retrospective adjustment and the period of adjustments. He highlighted that any adjustments prior to 01 October 2019 would still need to be undertaken. SP wanted it to be clear that Xoserve would still need to be able to undertake adjustments that have not been processed due to the billing timeline.

NW referred to the decision for Modification 0636 - Updating the parameters for the NTS Optional Commodity Charge, and that the OCR should not be considered in isolation. It was stressed that the 0678 Modifications are providing a holistic solution. DH explained that this Modification will not to replace '0678', this is a stepped change to remove the OCR to provide stakeholders with sufficient notice. GJ expressed concern that this approach may not be particularly helpful.

CWi enquired about the provision of Legal Text. PG confirmed that the Legal Text would need to be provided in time for the UNC Panel meeting.

2. Forecasted Contracted Capacity (FCC) Update

Item deferred.

3. Update on Long Term Revenue Forecasts

Next formal figures due in May.

4. Workgroups

4.1. 0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS
(Report to Panel 16 May 2019)

<http://www.gasgovernance.co.uk/0670>

4.2. 0678 (Urgent) - Amendments to Gas Transmission Charging Regime

(Consultation Commences 15 April 2019)

<https://www.gasgovernance.co.uk/0678>

5. Issues

None.

6. Review of Outstanding Action(s)

Action 1202: PARCA Applications - National Grid (CH) to clarify what changes are needed to UNC/other related documents and to also consider the 28-day acceptance period and when

extensions to this standard period are needed.

Update: Item Deferred. **Carried Forward**

Action 0101: Reference the January 2019 Tariff Charges Publication – All parties to provide comments/feedback direct to National Grid (CW*i*) where appropriate.

Update: Item Deferred. **Carried Forward**

7. Any Other Business

None.

8. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10:00 Tuesday 30 April 2019	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Standard Workgroup Agenda
10:00 Tuesday 04 June 2019	Elexon, 350 Euston Road, London NW1 3AW	Standard Workgroup Agenda
10:00 Tuesday 02 July 2019	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Standard Workgroup Agenda
10:00 Tuesday 30 July 2019	Elexon, 350 Euston Road, London NW1 3AW	Standard Workgroup Agenda

Action Table as at 02 April 2019

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
1202	04/1218	6.0	PARCA Applications - National Grid (CH) to clarify what changes are needed to UNC/other related documents and to also consider the 28-day acceptance period and when extensions to this standard period are needed.	National Grid (CW <i>i</i>)	Carried Forward
0102	05/02/19	6.	<i>Reference the January 2019 Tariff Charges Publication</i> – All parties to provide comments/feedback direct to National Grid (CW <i>i</i>) where appropriate.	All	Carried Forward