

NTS Charging Methodology Forum (NTSCMF) Minutes
Tuesday 05 May 2020
Via Teleconference

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Nield	(AN)	Storengy
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Chris Wright	(CWr)	Exxon Mobil
Colin Williams	(CW)	National Grid
Dan Hisgett	(Dhi)	National Grid
David Mitchell	(DM)	CIA
Debra Hawkin	(DH)	TPA Solutions
Ed Bentley	(EB)	Citadel
Henk Kreuze	(HK)	Vermilion Energy
Jeff Chandler	(JCh)	SSE
Julie Cox	(JCx)	Energy UK
Kamla Rhodes	(KR)	Conoco Phillips
Kirsty Ingham	(KI)	ESB
Laura Johnson	(LJ)	National Grid
Nick Wye	(NW)	Waters Wye Associates Ltd
Paul Youngman	(PY)	Drax
Richard Fairholme	(RF)	Uniper
Sinead Obeng	(SO)	Gazprom
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <http://www.gasgovernance.co.uk/ntscmf/050520>

1. Introduction and Status Review

Alan Raper (AR) welcomed everyone to the meeting and invited introductions.

1.1. Approval of Minutes (07 April 2020)

The minutes from the previous were then approved.

1.2. Approval of Late Papers

None.

1.3. Modifications with Ofgem

Ofgem provided a written update for the meeting as they were unable to attend.

Modification 0678 and alternatives - Amendments to Gas Transmission Charging Regime

ACER published their analysis of the consultation document for Great Britain on 24/04/2020: [ACER's Commentary on the Gas Charging Review](#). The report concluded that "the choice of the postage stamp methodology as the proposed RPM is overall compliant with the requirements set out in Article 7 of the NC TAR". ACER recommended that Ofgem: (i) publish complementary information regarding non-transmission charges in the final decision; (ii) monitor IP tariff arrangements; and (iii) monitor the impact of existing contracts.

Ofgem are considering the responses to the consultation on their minded-to decision, (including the ACER report), and all new evidence submitted to them will be taken into account when they make their final decision on this change to gas charging.

Modification 0687 - Creation of new charge to recover Last Resort Supply Payments

Ofgem are exploring the implication of this Modification on licence conditions regarding the price cap.

Modification 0686 - Removal of the NTS Optional Commodity Rate with adequate notice

Ofgem are assessing this Modification.

CW provided a one-page slide in relation to the commentary, highlighting the three recommendations made by ACER. He invited questions and also suggested that these could be sent to National Grid at: box.gsoconsultations@nationalgrid.com.

Workgroup participants discussed the implications of the timing of the Ofgem decision which is expected in May 2020 on the published transportation charges. CW explained that National Grid have taken the decision to publish indicative transportation charges in line with their normal processes, but with the caveat that the charges would be updated in accordance the final decision on Modification 0678. He also indicated that in terms of timescales, it would be helpful to know as early as possible if the published charges would need to change to allow sufficient time to review them before publishing any amendments. Workgroup participants suggested that May is a critical month as any delay to the Ofgem decision would then impact other processes and make an October implementation more challenging.

In response to a question from, Paul Youngman (PY), CW indicated that there would be no incremental costs or risks to National Grid, if implementation was delayed beyond October 2020.

1.4. Pre-Modification Discussions

No items raised.

2. Workgroups

2.1. 0670R - Review of the charging methodology to avoid the inefficient bypass of the NTS
 (Report to Panel 16 July 2020)
<http://www.gasgovernance.co.uk/0670>

3. Forecasted Contracted Capacity (FCC) Review

3.1. FCC Methodology Issues Log

Deferred until the June meeting.

4. Long Term Revenue Forecasts

Discussion deferred until the June meeting. CW confirmed that the Long-Term Revenue Forecasts will be published around May/June 2020.

5. Issues

Deferred until the June meeting.

6. Review of Outstanding Action(s)

Action 0401: All to provide questions and feedback on Modification 0718/A/B/C alternatives to Dan Hisgett in order for these to be feedback to the industry; Daniel.Hisgett@nationalgrid.com.

Update: Workgroup agreed to close this action. **Closed**

7. Any Other Business

8. 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	Venue	Workgroup Programme
10:00 Tuesday 02 June 2020	Via Teleconference	Standard Workgroup Agenda

Action Table (as at 05 May 2020)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
0401	07/04/20	1.3.2.	All to provide questions and feedback on Modification 0718/A/B/C alternatives to Dan Hisgett in order for these to be feedback to the industry; Daniel.Hisgett@nationalgrid.com .	National Grid (DHi)	Closed