

UNC Workgroup 0665 Minutes

Introduction of suitable classification of Ratchetable Supply Points & ensuring accurate Capacity Allocations (SOQ)

Thursday 28 February 2019

at Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Alexander Mann*	(AM)	Gazprom
Amy Rawding*	(AR)	Northern Gas Networks (0665 only)
Andy Clasper	(AC)	Cadent
Anna Kapeni*	(AK)	Northern Gas Networks (0665 only)
Chris Warner	(CW)	Cadent
Dave Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Edward Fyfe	(EF)	SGN
Ellie Rogers*	(ER)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates Ltd
Kate Mulvany	(KM)	British Gas
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Mark Jones*	(MJ)	SSE
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Shanna Key*	(SK)	Northern Gas Networks
Steven Britton*	(SB)	Cornwall Insight
Tracey Saunders*	(TS)	Northern Gas Networks

**via teleconference*

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0665/280219>

The Workgroup Report is due to be presented at the UNC Modification Panel by 01 March 2019.

1. Introduction and Status Review

BF welcomed everyone to the meeting and explained that the Modification Panel have referred back the Modification to Workgroup for further assessment to allow further discussion of the Legal Text and the minor changes to the Modification. It is expected that the Workgroup report will be presented to 01 March 2019 Extraordinary Modification Panel.

1.1. Approval of Minutes (08 February 2019)

The minutes from the previous meeting were approved.

2. Review of Amended Modification

Gareth Evans (GE) provided a brief update on the minor amendments to the Modification which were both in relation to the solution section.

The first was in relation to business rule 3 providing clarification that all the processes that apply to Class 1 sites will also apply to additional sites classified as Class 1 by Gas Transporters and as such will be subject to the “soft landing” set out in UNC TPD section B for newly designated Class 1 sites.

The second change is in relation to paragraph 11(c), GE highlighted that there is no formal definition of the LDZ Exit Capacity NTS (ECN) charge so an informal definition is being used.

3. Consideration of Legal Text and Guidelines Document

David Mitchell (DM) and Gareth Evans (GE) provided a walkthrough of the Legal Text highlighting the key changes. Workgroup considered the proposed changes identifying a number of minor typographical errors and in addition discussed the areas below:

Lack of transparency of charges

The first focussed on the lack of transparency of the charges and a discrepancy between the Business Rules/Legal Text and the CDSP invoicing procedure. DA pointed out the invoice issued by the CDSP identifies all the charges separately as individual lines within the invoice. However, the Business Rules/Legal Text indicate that this is a single charge made up of the sum of the separate charges. DA indicated that changes to the invoicing procedure had not been factored in as part of the previous Modification discussions and changes to file formats are currently not planned. He suggested that it would be inappropriate to send out Class 2 Ratchet Charge as the CDSP would be sending out a charge items as multiple lines on an invoice which would cause confusion.

Workgroup reviewed the wording of paragraphs 4.7.7 and also 4.7.8 in the context of whether paragraph 4.7.8 contradicts 4.7.7. DA agreed that paragraph 4.7.7 should be applied first and is the precedent for 4.7.8. GE suggested that this would be consistent with what is currently being done for Class 1 Ratchet Charges.

Forced Confirmations

Workgroup raised a concern in relation to paragraph 4.7.16 of the Legal Text highlighting that it is not ideal or helpful that a Party taking on a new site is not aware that the site is subject to a ratchet charge.

Other comments/observations

- a. DA highlighted a discrepancy in relation to the wording of paragraph 4.7.8 J (a)(i) of the Legal Text and paragraph 11 (d) of the Modification.

- b. Paragraph 4.7.19 (b) – reference should be 4.7.16 and not 4.17.16. Workgroup suggested that David Mitchell (DM) check all references in the Legal Text.
- c. Paragraph 4.7.17 it was noted that the sentence was incorrect stating that “a Transporter may **not** designate a Supply Point for the purposes of paragraph 4.7.16”. The sentence should read that “a Transporter may **only** designate a Supply Point for the purposes of paragraph 4.7.16”.
- d. Tracey Saunders (TS) reminded Workgroup of previous discussions in relation to the references to “Supply Point Business Days” which should be “Supply Point System Business Days”. DM to check the Legal Text to ensure the correct definition is used.
- e. DA pointed out a discrepancy in relation to paragraph 4.7.18 which indicates that the CDSP will notify the Transporter of any User objection, but it was his understanding the User objection would be sent directly to the Transporter and not through the CDSP. Richard Pomroy (RP) asked if Shippers would know who their relevant Transporter contract manager is. DA suggested that this might require the addition of service lines to ensure the appropriate costs are recovered.
- f. Paragraph 4.7.18, the title of the guidance document is incorrect and should say Class 1 Ratchet Charging Guidance Document.
- g. Paragraph 4.7.19 (a) – the reference in line 3 to “Class 1 Point Ratchet Charges” is incorrect and should read “Class 1 Ratchet Charges”.

In conclusion, GE thanked Workgroup participants for their constructive feedback and emphasised that he would be happy to receive any further comments/observations particularly in relation to technical issues or any errors/omissions.

Workgroup had a brief discussion about implementation dates in the context of systems changes. DA reiterated that the system changes are planned as part of a minor release in July also indicating that DSC managers may need to play a role in ensuring a smooth implementation particularly in relation to invoicing. GE reminded Workgroup participants that there has been a strong steer from Ofgem throughout to target and achieve an October 2019 implementation date.

Guidelines Document

Chris Warner (CW) highlighted that the document title does not align with the title in the Legal Text (paragraph 4.7.16). He also suggested that the references to “Supply Meter Points” should be “Supply Points” and suggested that DM checks the document. A brief discussion took place on whether this should be the case.

In relation to first bullet on page 2 Amy Rawding (AR) asked why supply point hourly capacity (SHQ) has been excluded. In response, GE advised that Offtake quantity for these purposes was usually referenced as SOQ or derived from AQ, it was therefore not considered appropriate to use SHQ.

4. Completion of Workgroup Report

BF indicated that the Workgroup Report would be concluded with the Legal Text provided for the meeting and updated when revised Text becomes available. The Workgroup Report would be discussed at the extraordinary Panel meeting being held on 01 March 2019.

He also reminded Workgroup that the consultation period would be shorter ending on 14 March 2019 to enable the Final Modification Report to be discussed at the 21 March Panel meeting.

5. Review of Outstanding Actions

None

6. Next Steps

BF confirmed that the Workgroup Report will be provided to the Extraordinary Modification Panel.

7. Any Other Business

None.

8. Diary Planning

Further details of planned meetings are available at:

<https://www.gasgovernance.co.uk/events-calendar/month>

Action Table (as at 28 February 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			No outstanding actions		