

**UNC Request Workgroup 0705R Minutes  
NTS Capacity Access Review  
Thursday 02 December 2021  
via Microsoft Teams**

**Attendees**

Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Adam Bates	(AB)	South Hook Gas
Alex Neild	(AN)	Storengy
Andrew Blair	(ABl)	Interconnector
Anna Shrigley	(ASh)	Eni
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Carlos Aguirre	(CA)	Pavilion Energy
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DH)	National Grid
Davide Rubini	(DR)	Vitol
Hannah Reddy	(HR)	Corella
Hursley Moss	(HM)	Cornwall-Insight
Jennifer Randall	(JR)	National Grid
Julie Cox	(JCx)	Energy UK
Lauren Jauss	(LJ)	RWE
Malcolm Montgomery	(MM)	National Grid
Marion Joste	(MJ)	ENI
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Paul O'Toole	(POT)	NGN
Phil Hobbins	(PH)	National Grid
Richard Fairholme	(RF)	Uniper
Richard Selmen	(RS)	Ancala Midstream
Ritchard Hewitt	(RH)	Hewitt Home and Energy Solutions
Rudi Streuper	(RS)	BBLC
Shiv Singh	(SS)	Cadent

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0705/021221>

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 December 2021.

**1. Introduction and Status Review**

Eric Fowler (EF) welcomed all parties to the meeting.

**1.1. Approval of minutes (22 November 2021)**

The minutes from the previous meeting were approved.

**1.2. Approval of Late Papers**

EF advised that there were two late papers a presentation on Overrun Reporting and a Draft Final Workgroup Report.

### 1.3. Review of Outstanding Actions

**0801: Reference Offtakes in Close Geographical Proximity** – National Grid (ASt) to look to provide additional evidence relating to geographical locational separation distances and to also provide some supporting definitions

**Update:** Jennifer Randall (JR) and Anna Stankiewicz (ASt) believed this related to the capacity movement stream, which had been parked and requested this action should be closed following confirmation the Workgroup will not be progressing this change at present. **Closed.**

## 2. Completion of Workgroup Report

The Workgroup reviewed the published Request Workgroup Report, updated by National Grid to capture progress considerations. The proposal was to close Request 0705R.

Max Lambert (ML) noted the intention not to amend the Overrun multiplier; Ofgem had suggested in its decision letter that a review should be undertaken after 1 year. ML suggested that a review of the Overrun framework should occur and enquired if this was on the agenda for the future. JR explained this would be dependent on the charging Modifications being currently considered by the NTSCMF Workgroup.

Anna Shrigley (AS) expressed concern that the cost of capacity will still be significantly higher and that the industry would appreciate some further analysis. AS understanding that National Grid consider this may not be an appropriate time to amend the Overrun regime, was nevertheless disappointed this was the case and wanted more justification that it's not appropriate.

JR explained that the charging regime is still in the flux of change, and National Grid doesn't think this is an appropriate time to overlay further changes until the other changes have been allowed to take effect.

Alex Neild (AN) expressed the need to make sure the Overruns are set at the right level and if the multipliers are working at the right level. He stressed the need to understand the impacts.

Nick Wye (NW) understood the position but based on the Overrun in aggregate being extremely high, relative to modest Overrun volumes, hoped a basic review could be undertaken.

ASh urged National Grid to look into the picture from a Shipper's perspective, as the environment had significantly changed, not just for COVID, but higher gas prices which are volatile and adds to the cost and uncertainty. It was noted that a large number of Suppliers are defaulting, with some Shippers defaulting, increasing costs. ASh stressed all these elements can't be controlled, and Shippers would like to see some changes that relate to multipliers which is adding uncertainty to costs, without proper justification. ASh challenged that the costs associated with Overruns should not be as high.

The Workgroup captured the concerns raised about the Overrun charges and the need for a review in the Workgroup Report

Workgroup participants welcomed and supported the Exit User Commitment position presented.

Some Workgroup participants supported the position of Moving Capacity between offtake points. The Workgroup expressed that a timeframe from Ofgem would be welcomed. Max Lambert (ML) confirmed that Ofgem continue to work with National Grid on restricted capacity access and will continue to engage with all parties

The Workgroup concluded the Request Report for submission to the December UNC Modification Panel.

Shiv Singh (SS) thanked National Grid for the work they had undertaken and the changes made over the last 2 years.

## 3. Overrun Reporting

Following on from the discussions held under item 2.0 and the points captured in the Workgroup Report, noting that National Grid are not intending to amend the Overrun process any further, ASt provided an overview of the Overruns entry data from October 2020 to September 2021.

Richard Fairholme (RF) challenged that the data presented appeared to trigger a need for a review. ASt acknowledged the earlier comments and the request/need for change.

ASh asked if indirectly the value of the Overrun charge provides incentives to National Grid as operator. ASt clarified that the figures do not feed into the incentive scheme.

RF requested this is a standing agenda item and a monthly report/update is presented.

The Workgroup considered the continued visibility of the Overrun issues/concerns. It was agreed that National Grid would provide the Transmission Workgroup monthly Overrun Data for information and review the position at least quarterly.

Nick Wye (NW) asked if National Grid could include the cost of the highest single Overrun penalty to provide some further visibility on the impacts, and the number of users involved to understand the magnitude.

**4. Any Other Business**

None.

**5. Next Steps**

The Request Workgroup was finalised for submission to the December UNC Modification Panel.

**6. 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)

No further meetings planned.

**Action Table (as at 02 December 2021)**

Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0801	05/08/21	2.	<i>Reference Offtakes in Close Geographical Proximity</i> – National Grid (ASt) to look to provide additional evidence relating to geographical locational separation distances and to also provide some supporting definitions.	November 2021	National Grid (ASt)	<b>Closed</b>