

**UNC Workgroup 0808 Minutes
Reverse Compression
Monday 12 December 2022
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Clasper	(AC)	Cadent
Ben Hanley	(BH)	Northern Gas Networks
Ben Mulcahy	(BM)	Northern Gas Networks
Clare Manning	(CM)	E.ON
David Addison	(DA)	CDSP
David Mitchell	(DMi)	SGN
Ellie Rogers	(ER)	Xoserve
Emma Buckton	(EB)	Northern Gas Networks
Joel Martin	(JM)	SGN
John Baldwin	(JB)	CNG Services Ltd
Kathryn Adeseye	(KA)	Xoserve
Kundai Matiringe	(KM)	BU-UK
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mark Jones	(MJ)	SSE
Nick King	(NK)	CNG Services
Oorlagh Chapman	(OC)	Centrica
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mulinganie	(SM)	SEFE Energy Limited
Tom Stuart	(TSt)	Wales & West Utilities
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0808/121222>

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 January 2023.

1.0 Introduction and Status Review

1.1. Approval of Minutes (24 November 2022)

The minutes from the 24 November 2022 meeting were approved.

1.2. Approval of Late Papers

There were no late papers to consider.

1.3. Review of Outstanding Actions

0111: Proposer Tim Davis (TD) to confirm there is no overlap or duplication with IGTAD (Independent Gas Transportation Arrangements Document).

Update: It was confirmed there has been no progress on this to date. When Nick King (NK) asked how this will move forward it was noted that the expectation is that the SGN lawyers would be looking at IGTAD, however, David Mitchell (DM) clarified that the lawyers are looking for a view from the Workgroup.

NK agreed to look at the cross-over between this Modification and IGTAD and report back to Workgroup with his findings.

Carried Forward

2.0 Amended Modification

Rebecca Hailes (RH) provided a brief walkthrough of the amendments made to the Modification (v3.0 dated 02 December 2022) which are based on Workgroup feedback from the November 2022 Workgroup meeting and include:

Please note these minutes do not replicate/include detailed content provided within the change-marked published version of the amended Modification, therefore it is recommended that the published change-marked Modification is reviewed in conjunction with these minutes. Copies of all papers are available at: www.gasgovernance.co.uk/0808.

- Clarification to the purpose of the Modification
- Updates to the Summary; Governance; Why Change and Relevant Objectives.

John Baldwin (JB) clarified that the updated wording in the purpose of the Modification would facilitate the current project between Cadent and IGT (Independent Gas Transporter), who have agreed to join two-pipes.

Solution

The Solution has been significantly amended and refers to the requirement of an Operating Agreement when an IGT Connected System supports gas flowing into a Distribution Network.

David Mitchell (DM), as Legal Text provider, advised he has completed a thorough review of the amendments to the Modification and has provided feedback to the Proposer which sets out a general set of UNC Business Rules to be included in the Modification. He noted there are quite a few changes required to the solution.

A detailed review of the feedback from SGN then followed:

DM noted that an IGT always has a single point of connection to the Network to avoid inefficient bypass.

Richard Pomroy (RP) noted that if the 4B Statement needs to be changed, Wales & West Utilities would need to change their Safety Case, this may also apply to other Networks.

RP suggested there needs to be a better understanding of what facilitation is required for the bio-methane injection, if it allows two connections to an IGT Network, unless it is very carefully carved out in UNC, it can leave it open to other occurrences that may not be considered desirable from a network point of view. Once it is in the UNC there is little that can be done.

Steve Mulinganie (SM) noted that the Modification is titled Reverse Compression, and that now Workgroup have got this far in terms of a solution, any deviation from Reverse Compression should be considered as a different Modification.

Joel Martin (JM) agreed and clarified this Modification should be finalised with the scope as intended.

DM proceeded to provide an overview of the suggested amendments and Business Rules, where there was specific interaction regarding particular points with the Workgroup, this has been captured within the minutes:

Business Rule 2:

JB offered his view and advised there must be an agreement between the IGT and the DNO (Distribution Network Operators). JM clarified there are two parts to this, the connections part in the 4B Statement to include Reverse Compression as a connections area and the enduring arrangements which will be the NERA (Network Exit and Re-entry Agreement)/Operating Agreement .

It was noted that, if IGTAD only references Exit that is the key question to address for NK as part of outstanding Action 0111.

DM emphasised that the term 'Entry' in this context is the existing gas going from one part of the network via piping and a compressor to another part of the network. It was suggested that to avoid confusion the terms Exit and Entry could be referred to as Leave and Re-join.

SM noted that if the existing wording is left in the Modification, (Exit and Entry), the Guidance Note will need to be very specific, he said there is the opportunity to write the Business Rules properly, for example changing the labels to 'leave and re-join'.

NK said that he would think the legal drafting will cross reference the 4B Statement with reference to IGTAD and IGTAD will have a reference to the 4B Statement.

Business Rule 3:

When asked if there is a Shrinkage Model that the IGTs (Independent Gas Transporter) produce at the moment, it was confirmed that the reference in IGTAD says "not calculated" .

SM noted that it would not be fair and equitable if the outcome is that a cost is passed through to the Shipper as any losses associated with this arrangement should be charged to the beneficiary of the arrangement, which is the IGT. He clarified that Shippers should not pick up any liability.

A Workgroup pParticipant asked how it would be known if any gas is lost as there is not supposed to be any metering associated with this arrangement. JM confirmed that the likelihood of any gas lost is unlikely but not impossible and that any gas lost or unaccounted for on an IGT site will be IGT Shrinkage.

Clare Manning (CM) advised that this was a subject at the recent IGT Workstream meeting where it was noted that IGT advised their shrinkage is zero and it is written into their Code.

Workgroup agreed to remove BR3 and stay silent on the matter.

Business Rule 4:

DM clarified this rule is making it clear there are no Transportation charges.

RP noted there will be a NERA in place, therefore, by virtue of that the gas is leaving and re-entering the DNO Network. If the gas is going through an IGT compressor, it is by definition leaving and re-entering the Network. He suggested this needs explanation in the Business Rules.

This concluded the review of the suggested Business Rules and DM then drew attention to some points of clarification which are highlighted within the feedback to the Proposer.

DM noted the Business Rules do need to drive the Legal Text and he is also looking for guidance from Workgroup as to where they should be placed in Code.

Referring to the changes for the wording Exit and Entry, JB said that throughout the Modification Entry and Exit are in virtually every paragraph and he is struggling to understand why they need changing to Leave and Re-join.

RP advised the concern is, if the Modification refers to gas entering and exiting and refers that the Shipper does not pay charges, the Lawyer could misinterpret this when drafting the Legal Text. The lawyer will see Exit/Entry and will interpret that charges apply.

It was also noted that without the suggested edits, if it goes out to consultation it could get referred back to Workgroup with new issues.

This concluded the review of the amended Modification.

3.0 Review of Legal Text

The Legal Text will be drafted once the Modification has finalised.

4.0 Completion of Workgroup Report

The Workgroup Report will be drafted once the Modification has finalised.

5.0 Next Steps

RH clarified the next steps to be:

- Proposer, Tim Davis, JB and DM to discuss the Modification amendments offline.
- Joint Office to request an additional 3-months beyond January 2023 to report to the April 2023 UNC Modification Panel.
- The Modification needs amendments with clear business rules and Workgroup need to review it with clear text.

6.0 Any Other Business

7.0 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	Paper Publication Deadline	Venue	Workgroup Programme
Thursday 10:00 26 January 2023	5pm 17 January 2023	Microsoft Teams	Standard Agenda

Action Table (as at 12 December 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0110	27/10/22	2.0	Proposer to make appropriate amendments to the Modification based on Workgroup discussions held 27 October 2022	Proposer	Closed
0111	24/11/22	2.0	Proposer (TD) and Nick King (NK) to confirm there is no overlap or duplication with IGTAD.	Proposer (TD)	Carried Forward