

UNC Workgroup 0670R Minutes
Review of the charging methodology to avoid the inefficient bypass
of the NTS

Tuesday 03 September 2019

**at Radcliffe House, Blenheim Court, Warwick Road, Solihull, B91
2AA**

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Adam Bates*	(AB)	South Hook Gas
Alex Nield*	(AN)	Storengy
Andrew Sugden*	(ASu)	BOC
Anna Shrigley	(AS)	Eni Trading & Shipping
Bill Reed	(BR)	RWE Supply & Trading
Chris Wright*	(CW _r)	ExxonMobil
Christiane Sykes	(CS)	Shell
Colin Williams	(CW _i)	National Grid
Daniel Hisgett	(DH _i)	National Grid
David Cox*	(DC)	London Energy Consulting
David Mitchell*	(DM)	Chemical Industries Association
David O'Neill	(DON)	Ofgem
Debra Hawkin	(DH)	TPA Solutions
Emma Bucton*	(EM)	Northern Gas Networks
Graham Jack	(GJ)	Centrica
Henk Kreuze	(HK)	Vermilion Energy
Jeff Chandler*	(JCh)	Centrica
Jenny Philips	(JP)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JC)	Energy UK
Kamila Nugumanova*	(KN)	ESB
Kamla Rhodes	(KR)	Conoco Phillips
Laura Johnson	(LJ)	National Grid
Nick Wye	(NW)	Waters Wye Associates
Nicky White	(NW _h)	npower
Nigel Bradbury*	(NB)	EIUG
Richard Fairholme	(RF)	Uniper
Sinead Obeng	(SO)	Gazprom Marketing & Trading
Steve Pownall	(SP)	Xoserve
Terry Burke*	(TB)	Equinor
* via teleconference		

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0670/030919>

The Request Workgroup Report is due to be presented at the UNC Modification Panel by 16 January 2020.

1.0 Introduction and Status Review

1.1. Approval of Minutes (30 July 2019)

The minutes of the previous meeting were approved.

1.2. Review of Outstanding Actions

Action 0701: Joint Office (AR) to seek a 6-month extension to the 0670R Request Review Group at the August Panel meeting.

Update: RH confirmed this was done, so this action was closed. **Closed**

2.0 Review of Terms of Reference – Workgroup Objectives

Colin Williams (CWi) provided a brief introduction, stating that following the last meeting an extension to the Request Workgroup has been agreed to 16 January 2020. He reminded Workgroup that if necessary or appropriate, the Workgroup Report can be delivered to Panel earlier than this date. He also reminded Workgroup participants that at the last meeting it was agreed that National Grid should review the Request and update it. He added that a draft Request has been produced to reflect the current position and the range of views on its use and benefits.

Debra Hawkin (DH) asked why the Panel reporting date is not February 2020 if a six-month extension was sought at the August Panel meeting. RH confirmed that this was the date agreed at Panel and suggested that Workgroup treat it as nominal working date which can be amended if necessary, depending on the Ofgem determination in relation to Modification 0678 and its alternatives.

A brief discussion took place on the purpose of the Workgroup and whether it should continue. CWi stated that the feedback from the last meeting had been used to produce an amended Request 0670R and he invited Dan Hisgett (DH) to provide a walkthrough of the key changes:

- Reporting date to Panel
- Clarification of the purpose of the Request (Page 3)
- Clarification of the scope (Page 4)
- Terms of Reference – Updated topics for discussion (Page 10)
- Terms of Reference – Composition of Workgroup (Page 10).

The following areas were discussed in relation to the changes:

- a. Richard Fairholme (RF) queried the inclusion of the paragraph on page 5 in relation to compliance with EU Tariff Code asking if this is relevant for this Request group. CWi clarified that TAR NC is effectively now part of GB law and compliance is still required.
- b. Composition of Workgroup – a brief discussion took place on quoracy. The Terms of Reference state that at least two Transporter and two User representatives are required to be quorate. This is the standard composition for a review group whereas the quorum for the NTSCMF Workgroup is at least six (6) participants attending, of which at least two should be Shipper Users and one NTS Transporter. Laura Johnson (LJ) queried whether the 0670R should reflect NTSCMF requirements instead of the standard review group ones? Workgroup agreed that it would be sensible to adopt the same quoracy rules as NTSCMF since 0670R is being discussed at NTSCMF. RH responded to a question from CWi asking if this change needs to be presented back to Panel, she clarified that Panel only need to be informed if the change to composition is unusual and as this is not as it is replicating NTSCMF then there is no need to.

- c. Workgroup also briefly discussed the attendance of the review group meetings by Transporters, specifically DNs. DH asked if 2 Transporters are needed for Modification development. RH stated that generally Modifications that are developed as part of review groups tend to go straight to consultation and have had the appropriate input. There was a general view that DNs should therefore be more engaged.
- d. In the context of quoracy and Modification development, a further discussion was held on whether the Workgroup would reach the point of Modification development with so many differing views within the group. RH suggested that there could be a Modification that is developed but it may not necessarily be one that everyone agrees with.
- e. RH suggested that work continues in the Review group at the appropriate pace depending on the outcome of Modification 0678, thereby giving National Grid the opportunity to be well placed to respond in a timely way. There were mixed views within the Workgroup on the merits of continuing. Anna Shrigley (AS) said that while she welcomed the opportunity to have continuing discussion perhaps a suspension until the 0678 'minded to' decision is received may be prudent.
- f. RH asked National Grid to set out what work is proposed in the next few months and asked what material could be available for discussion at the October meeting given there is unlikely to be any more information. She asked if National Grid would have a draft Modification proposal for discussion. In response, CWi indicated that it was unlikely that National Grid would have a proposal for the October meeting.
- g. RH also asked National Grid to clarify what analysis is feasible and what is not and to what timescales.

2.1. Impact of short haul

Discussed above.

2.2. Consideration of analysis

Discussed above,

2.3. Consideration of electricity generation impacts

This was not considered.

3.0 Next Steps

RH confirmed that the next steps are for National Grid to provide the final text for the Request 0670R.

4.0 Any Other Business

None.

5.0 Diary Planning

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

Workgroup meetings will take place as follows:

Post Meeting Update

Due to the predicted lack of discussion material it has been decided to conduct the next meeting on 01 October via teleconference.

Time / Date	Venue	Workgroup Programme
10:00 Tuesday 01 October 2019	Teleconference	Consideration of Amended Request 0670R Consideration of analysis – what is feasible and what isn't

Action Table as at 03 September 2019

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
0701	30/07/19	4.0	Joint Office (AR) to seek a 6-month extension to the 0670R Request Review Group at the August Panel meeting.	Joint Office (AR)	Closed