

UNC Workgroup 0670R Minutes
Review of the charging methodology to avoid the inefficient bypass
of the NTS
Tuesday 05 November 2019
Via Teleconference

Attendees		
Rebecca Hailes (Chair)	(RH)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Adam Bates	(AB)	South Hook Gas
Andrew Pearce	(AP)	BP
Anna Shrigley	(AS)	Eni Trading & Shipping
Anupa Purewal	(AP)	E.ON Energy
Bill Reed	(BR)	RWE
Colin Williams	(CW)	National Grid
Dan Hisgett	(DHi)	National Grid
David O'Neill	(DON)	Ofgem
Debra Hawkin	(DH)	TPA Solutions
Graham Jack	(GJ)	Centrica
Henk Kreuze	(HK)	Vermilion Energy
Jeff Chandler	(JC)	SSE
Kamla Rhodes	(KR)	Conoco Phillips
Kirsty Ingham	(KI)	ESB
Laura Johnson	(LJ)	National Grid
Paul Youngman	(PY)	Drax Power
Pavanjit Dhesi	(PD)	Interconnector UK
Richard Pomroy	(RP)	Wales & West Utilities
Sinead Obeng	(SO)	Gazprom Marketing & Trading
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0670/051119>

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 (01 October 2019)

The minutes of the previous meeting were approved.

1.2. Review of Outstanding Actions

Action 1001: Ofgem (David O'Neill (DON)) to provide comments and/or any indicative views on compliance at the November meeting.

Update: DON provided a brief update on this action indicating that he was not in a position to provide an update at this time as analysis is still being undertaken on Modification 0678, Modification 0686 and their related Modifications. In response to a question from Debra Hawkin (DH), he added that views on compliance will be provided as part of Ofgem's 'minded to' decision and it was unlikely that any views would be provided in advance of this. Workgroup therefore agreed to close this action. **Closed**

2.0 Review of amended Request

Laura Johnson (LJ) confirmed that no further amendments have been made to the Request.

A brief discussion took place on the status of the Request with Workgroup Participants seeking an update on the progress of the development of a new/alternative short-haul product.

Colin Williams (CWi) indicated that National Grid would provide a short-haul product for discussion at Workgroup at an appropriate time and at the point of a suitable trigger. He re-capped that in previous Workgroup discussion there has been little appetite for staged development of a product as Workgroup has wanted a degree of certainty. This together with the absence of Workgroup ideas has led to the current position.

Graham Jack (GJ) suggested that there was an expectation within the Workgroup that National Grid would provide some ideas of a potential short-haul product by November/December. He acknowledged that this would be subject to Ofgem decisions on Modifications 0678 - *Amendments to Gas Transmission Charging Regime* and 0686 - *Removal of the NTS Optional Commodity Rate with adequate notice* and their related Modifications but was concerned that the Review group is 'stagnant' in its development and reiterated that it would be helpful to have some early insight into National Grid's thinking of a possible solution.

In light of this of position, Rebecca Hailes (RH) asked if an extension should be sought on the reporting date to the Modification Panel or if Workgroup consider closure of the review group as an appropriate option. She added that the previous thinking had been to keep the Review open in order to stand up discussions quickly in reaction to new information from Ofgem, though if the decision was made to recommend closure of the group then a new Workgroup could be convened as necessary in future.

CW reiterated that the key factor in the development of a potential product is the availability of information to inform a discussion. He added that any new proposal is likely to be in the form of a new Modification and that he was mindful that future discussions need to be productive and meaningful.

Workgroup agreed that any extension to the Panel reporting date, which is currently 16 January 2020, should be revisited at the December meeting.

3.0 Consideration of potential short-haul product

This agenda item was not discussed.

4.0 Next Steps

RH confirmed that the next steps are for National Grid to propose a potential short-haul product dependent on the timing of Ofgem's 'minded to' decision for Modification 0678, Modification 0686 and their related Modifications.

5.0 Any Other Business

None.

6.0 Diary Planning

It was agreed that a decision to change to a teleconference meeting would be made by 5pm on Monday 25 November 2019 to allow sufficient time for travel arrangements to be made.

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Tuesday 03 December 2019	Elexon, 350 Euston Road, London NW1 3AW	Consideration of Amended Request 0670R Consideration of potential short-haul product Development of Review Workgroup report
10:00 Tuesday 07 January 2020	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Finalisation of Review Workgroup report

Action Table (as at 05 November 2019)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
1001	01/10/19	3.0	Ofgem (DON) to provide comments and/or any indicative views on compliance at the November meeting.	Ofgem (DON)	Closed