

UNC Workgroup 0701 Minutes
Aligning Capacity booking under the UNC and arrangements set out
in relevant NExAs

Thursday 28 November 2019

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

Attendees

Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Lorraine O'Shaughnessy	(LO)	Joint Office
Maitrayee Bhowmick-Jewkes	(MBJ)	Joint Office
Andy Clasper	(AC)	Cadent
Carl Whitehouse*	(CW)	Shell Energy Retail Limited
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ed Fyfe*	(EF)	SGN
Ellie Rogers	(ER)	Xoserve
Gareth Evans*	(GE)	Waters Wye Associates
Kirsty Dudley*	(KD)	E.ON
Lea Slokar*	(LS)	Ofgem (Workgroups 0696 and 0701 only)
Lorna Lewin	(LL)	Orsted
Megan Coventry*	(MC)	SSE
Oorlagh Chapman	(OC)	British Gas
Phil Lucas	(PL)	National Grid
Richard Pomroy	(RP)	Wales & West Utilities
Stephanie Clements*	(SC)	Scottish Power
Steve Britton*	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

*via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0701/281119

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 February 2019.

1.0 Introduction and Status Review

1.1. Approval of Minutes (26 September 2019)

The minutes from the 26 September 2019 were accepted.

1.2. Review of outstanding actions

Action 0801: Northern Gas Networks (TS) to provide clarification from the legal team on what information from a NExA can be made available through CDSP systems.

Update: This will be dealt with as part of the Modification. **Closed.**

Action 0901: Joint Office (AR) will liaise with the iGT code administrator regarding the cross codes impacts and update the working group.

Update: AR confirmed the Joint Office has been liaising with the IGT Code Administrator. **Closed.**

Action 0902: Northern Gas Networks (TS) to provide a revised draft Modification at the next DWG.

Update: TS confirmed she is sharing a draft Modification with changes incorporated with the Workgroup. She will be taking on board comments from discussions today to include in the final version of the Modification. **Closed.**

2.0 Amended Modification

Tracey Saunders (TS) explained to the Workgroup that the majority of the changes made to the Modification were to add clarity. As this Modification was raised as an alternative, it had a considerable degree of commonality with the original Modification which needed to be amended. It also required some further clarity around common industry language, which TS has now provided. TS further explained to the Workgroup that where she has deleted parts of the originally draft Modification, it was because they were effectively duplication.

She then provided an overview of the changes in the new draft version by addressing each of them in turn. This essence of the change is to ensure that system capacity is consistent with that allowed by the NExA and the values can all be viewed in one place. Where a NExA is not in place then the current processes will apply but it is lack of transparency regarding NExA detail in the current process which has resulted in this Modification being proposed.

The Modification is proposing that any new or additional daily capacity, or hourly flow for supply meter points requested under the Uniform Network Code (UNC), should only take effect from the date set out in the NExA. Where a site ratchets then the daily metered supply point cannot ratchet above the daily capacity in the NExA. TS explained that she had amended the Business Rules, and these can now be expressed as two rules:

1. For Class 1 and 2 Supply Points: Any requests for new or additional System capacity made by the Shipper shall not, where a relevant NExA exists, exceed the daily offtake rate and SHQ set out in the NExA. DM Supply Point Capacity (SOQ) and Supply Point Offtake Rate ("SHQ") set out in the NExA. Where there is only an SHQ value in the NExA the SOQ value will be taken as a calculation of [24] times the SHQ value quoted in the NExA.
2. Where there is no agreed SOQ value in the NExA, the value would be calculated as [24] times the SHQ value in the NExA.

The Workgroup discussed the amendments set out. Kirsty Dudley (KD) questioned the reporting obligations under the amended Modification. TS responded to explain that reporting obligation on transporters for when the rolling AQ derived SOQ reaches a certain percentage of the NExA value.

Richard Pomroy (RP) commented that under this Modification, if the AQ is used to assume SOQ, and to calculate NExA value, it could potentially lead to problems. Steve Mulinganie (SM) also queried how the NExA capacity values would be calculated and how the SOQ would be used to do this.

Ellie Rogers (ER) and TS said that the SOQ would purely be used as a means of notification and that the proposal would provide the basis for a SOQ value in the NExA to be created. As part of the implementation, TS further explained that Xoserve would undertake a one off exercise to clear all NExA flags.

RP expressed some concerns with this logic and put forward an argument that where capacity is limited, transporters may experience difficulties in processing such requests. Transporters already will have tight window within which to respond to nominations, whereas shippers have 6 months to accept. TS responded by saying that transporters always have the option to reject nominations.

RP also asked when there is a ratchet charge, will it be included. TS confirmed that it would, but this was something to consider further in the Legal Text.

TS then described the ROM for the Modification and explained to the Workgroup that there was nothing in the ROM which was different to the Modification.

RP asked for some further clarity around the types of NExAs. TS and ER confirmed that these were:

- Daily metered,
- CSEP and
- specific sites, at individual transporter's discretion.

TS explained that NGN have certain NExAs specifically for certain sites and assumed that other transporters would have the same requirement.

Alan Raper (AR) clarified that the relationships in the ROM were 1:1 relationships, such as 1 MPRN to 1 CSEP and a single CSEP serving a single site. However, the Workgroup stated that further clarification was required on what is included and what is excluded regarding NExA types.

KD stated the risks and impacts on IGTs also needed further clarification.

3.0 Consideration of Business Rules

Business Rules were not considered any further.

4.0 Review of Impacts and Costs

Impacts and costs were not considered any further.

5.0 Next Steps

AR confirmed that based on discussions today:

- TS would provide further clarification on the Modification, in particular, NExA types.
- TS and ER would liaise and make the required amendments to the ROM.

It was agreed that the Legal Text is not required yet and would be reconsidered when reviewing the revised Modification.

6.0 Any Other Business

None.

7.0 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:

Time / Date	Venue	Workgroup Programme
10:30, Tuesday 17 December 2019	Elexon, 350 Euston Road, London NW1 3AW	Distribution Workgroup standard Agenda

Action Table (as at 26 September 2019)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0801	22/0819	1.0	Northern Gas Networks (TS) to provide clarification from the legal team on what information from a NExA can be made available through CDSP systems.	Northern Gas Networks (TS)	Closed
0901	26/09/19	2.0	Joint Office (AR) will liaise with the iGT code administrator regarding the cross codes impacts and update the working group.	Joint Office (AR)	Closed
0902	26/09/19	2.0	Northern Gas Networks (TS) to provide a revised draft Modification at the next DWG.	Northern Gas Networks (TS)	Closed