

**UNC Workgroup 0737 Minutes**  
**Transfer of NTS Entry Capacity from a Capacity Abandoned ASEP**  
**Monday 07 December 2020**  
**via Microsoft Teams**

**Attendees**

Rebecca Hailes (Chair)	(RH)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Anna Shrigley	(AS)	Eni Trading & Shipping
Bill Reed	(BR)	RWE
Brian M <sup>c</sup> Glinchey	(BM)	Vermilion Energy
Carlos Aguirre	(CA)	Pavilion
Christiane Sykes	(CS)	Shell
Chris Wright	(CW <sub>r</sub> )	ExxonMobil
Colin Williams	(CW)	National Grid
Daniel Hisgett	(DH <sub>i</sub> )	National Grid
David O'Neill	(DON)	Ofgem
Daniel Wilkinson	(DW)	EDF Energy
Debra Hawkin	(DH)	TPA Solutions
Ed Bentley	(EB)	Citadel
Hannah Ready	(HR)	Xoserve
Helen Bennett	(HB)	Joint Office
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
Julie Cox	(JC <sub>x</sub> )	Energy UK
John Costa	(JCo)	EDF Energy
Kamla Rhodes	(KR)	ConocoPhillips
Lucy Manning	(LM)	Grain LNG
Nick Wye	(NW)	Waters Wye Associates Ltd
Nigel Sisman	(NS)	Sisman Energy Consulting
Pavanjit Dhesi	(PD)	Interconnector
Phil Lucas	(PL)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home & Energy Solutions Ltd
Ricky Hill	(RH)	Centrica
Samuale Repetto	(SR)	EDF Trading
Terry Burke	(TB)	Equinor
Thomas Paul	(TP)	E.ON

Copies of all papers are available at: <https://www.gasgovernance.co.uk/0737/071220>

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 December 2020.

## 1. Introduction and Status Review

Rebecca Hailes (RH) welcomed everyone to the meeting and advised that there would be no previous meeting minutes to approve at this meeting.

### 1.1. Approval of Minutes (01 December 2020)

None to consider at this time.

### 1.2. Approval of Late Papers

None to consider at this time.

### 1.3. Review of Outstanding Actions

**Action 1106:** National Grid CW/LJ to investigate instance where capacity was being held by a party when that party was terminated.

**Update:** When CW advised that this would be covered under consideration of item 2. below, it was agreed the action could be closed. **Closed**

**Action 1201:** Joint Office (RH) to contact Xoserve/CDSP and request an amended ROM for discussion as soon as possible.

**Update:** RH advised that this action had now been completed though the revised ROM was not yet available for review. **Closed**

## 2. Review of Legal Text

D Hisgett (DH) provided an overview of the revised legal text during an onscreen review, with the ensuing discussion points highlighted as follows:

TPD Section B paragraph 2.18.1(a) – the date for the capacity abandoned ASEP transfer request is circa 29 January 2021 and is ‘triggered’ by the user providing the written notice;

TPD Section B paragraph 2.18.7 – it was confirmed that those Users that indicate that they wish the transfer to be executed will move, and those that do not, would not move;

It was noted that even after the process has taken place, any remaining capacity could still be ‘booked’ – in essence, an ‘evergreen’ process and allowing the option is good business – in this respect the ASEP is never truly abandoned;

TPD Section B paragraph 2.18.10(a) – enables Users to go through the process, subject to passing the 1<sup>st</sup> validation stage; and

TPD Section Y paragraph 2.2.2(e) – the ‘*where such User’s Registered NTS Entry Capacity has been transferred from such Entry Point to another Entry Point after the Tariff Regulation Effective Date pursuant to paragraph 2.18*’ (relating to 2.18.9(a) & (b)) was highlighted and duly noted.

## 3. Completion of Workgroup Report

In undertaking a detailed onscreen review of draft Workgroup Report v0.5, dated 07 December 2020, RH updated the Workgroup Report in-line with the feedback being provided. Some of the main points are noted below for completeness:

- The consensus amongst those in attendance is that the Modification should remain subject to Authority Direction

Section 6 – Impacts & Other Considerations

- New statements relating to ‘bad debt’ (relates to outstanding action 1106) and two known incidents added;
- New statement added to reflect upstream projects; and
- New statement added to reflect the fact that an updated Rough Order of Magnitude (ROM (XRN5277)) would be provided by Xoserve shortly (by the end of w/c 07/12/2020).

#### Section 7 – Relevant Objectives

- Concerns raised by N Sisman (NS) relating to some of the arguments captured in respect of the “*economic and efficient operation of the system*” assessment;
  - NS indicated that the proposal may create significant financial redistributions and that these should be considered from the context of pricing objectives which might have greater importance than the assessment of impacts on economic and efficient operation of the system of much lower significance. NS also noted that consultation respondents could assess the Workgroup Report and provide further feedback in consultation responses. Finally, NS also suggested that it will be up to others to express their views about the “unreasonableness” of such a position, but they can do that at a later date;
- Additional statement added as to the clarity around the potential effect of the solution on supporting Relevant Objective a) *Efficient and economic operation of the pipe-line system*;
- Statement added to reflect concerns relating to existing contracts with views differing across the industry, although a view from Ofgem would be welcomed;
- Statements added to note that Workgroup Participants were unable to provide firm views and that this would make consultation responses all the more important;
- Concerns voiced around Code processes and how ‘silence’ is interpreted when completing a Workgroup Report – in short, this does not necessarily automatically infer agreement by Workgroup Participants. Other parties were more comfortable with the approach as it gives them time to consider in more detail, especially when they have the option to formally voice concerns through the consultation process.

#### Section 9 – Legal Text

- Statement added to note that the consensus amongst Workgroup Participants is that the legal text would deliver the intent of the solution.

#### **4. Next Steps**

RH outlined the next steps as being:

- The Workgroup Report would now be finalised and presented to the 17 December 2020 Panel meeting for consideration, with a recommendation that the Modification should now proceed to the consultation phase.

#### **5. Any Other Business**

None.

#### **6. Diary Planning**

There are no further Workgroup meetings scheduled to take place.