

UNC Workgroup 0739 Minutes
Aggregate overrun regime for Original Capacity held at the Bacton
ASEPs

Thursday 05 November 2020

via Microsoft Teams

Attendees

Lorraine O'Shaughnessy (Chair)	(LOS)	Joint Office
Kully Jones (Secretary)	(KJ)	Joint Office
Alex Nield	(AN)	Storengy Ltd
Anna Shrigley	(AS)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Bill Reed	(BR)	RWE
Chris Wright	(CW)	Exxon Mobil
Christiane Sykes	(CS)	Shell Energy
Daniel Hisgett	(DH <i>i</i>)	National Grid
Debra Hawkin	(DH)	TPA Solutions Ltd
George Moran	(GM)	British Gas
Jeff Chandler	(JCh)	SSE
John Costa	(JCo)	EDF Energy
Julie Cox	(JC <i>x</i>)	Energy UK
Kamila Nugumanova	(KN)	ESB
Malcolm Montgomery	(MM)	National Grid
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnector UK
Phil Hobbins	(PH)	National Grid
Phil Lucas	(PL)	National Grid
Shiv Singh	(SS)	Cadent
Steven Britton	(SB)	Cornwall Insight
Terry Burke	(TB)	Equinor

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0739/051120>

The Workgroup Report is due to be presented at the UNC Modification Panel by 21 January 2021.

1.0 Outline of Modification

Lorraine O'Shaughnessy (LOS) welcomed all industry parties to the meeting and advised that the main focus of the meeting would be to consider the Modification and the questions raised at the Panel meeting.

Nick Wye (NW) briefly presented the Modification on behalf of ENI Trading & Shipping. He provided an outline of the Modification, its aims, the reasons for the change and the options that have been considered.

He then reminded Workgroup of the background to this proposal which is set out in the Summary section of the Modification before stating that the solution is straight forward.

LOS advised that the Modification Panel has asked Workgroup to consider the benefits to Consumers and also to quantify the potential Consumer cost impacts.

NW stated that this is addressed in the Modification and that enabling Shippers to use capacity across both Bacton ASEPs at no additional cost will reduce the cost of delivering gas into the NTS via connected UKCS sources and interconnectors. Where either of these sources is the marginal source of gas then the daily gas prices at the NBP should reduce accordingly.

The following comments/observations were by Workgroup during discussion of the Modification.

Anna Stankiewicz (ASt) asked if the Proposer's assessment that there is minimal consumer impact includes the scenario where overruns do not occur. She gave the example of where there is capacity at one ASEP but not the other and the capacity is flowed without incurring an overrun at the other ASEP.

NW stated that the ambition is to limit any unnecessary overruns. NW stated that the NTS Charging Methodology Forum has extensively discussed displacement issues under Modification 0737 - *Transfer of NTS Entry Capacity from a Capacity Abandoned ASEP*.

Bill Reed (BR) asked if the original capacity is fixed and whether it stays with the nominated Entry Point. He suggested that the Modification might need clarification of the original capacity designation such that the status is retained as long as the capacity is retained by the User.

In response to a question from Malcolm Montgomery (MM), NW confirmed that in the situation where the original capacity is traded with another Shipper the new Shipper would still have the benefit of fungibility in terms of costs. NW agreed to consider amending the Modification.

MM suggested that system solution would be impacted by this and it could be made more complicated if the type of capacity being traded needs to be tracked. NW agreed to follow this point up with the Proposer.

LOS sought any further Workgroup views and suggested that three months' Workgroup development time might not be needed as Workgroup had not raised any significant concerns/issues.

NW suggested that it might be possible to start to develop the Workgroup Report at the December meeting and he would therefore start to engage with Xoserve in relation to systems requirements.

New Action 1101: Joint Office to request a Rough Order of Magnitude from Xoserve.
--

Workgroup briefly reviewed the Relevant Objectives. NW pointed out that Ofgem undertook an Impact assessment for Modification 0501V

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1. Workgroup to consider the benefits to Consumers and also quantify the potential Consumer cost impacts

Discussed under agenda item 1.0.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel a specific Terms of Reference has been published alongside the Modification at <http://www.gasgovernance.co.uk/0739>

3.0 Next Steps

LOS confirmed that the next steps are to review the amended Modification, request a Rough Order of Magnitude and develop the Workgroup Report.

4.0 Any Other Business

None.

5.0 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	Programme
10:30 Friday 03 December 2020	5pm 24 November 2020	Radcliffe House, Blenheim Court, Warwick Road, Solihull B91 2AA	Detail planned agenda items. <ul style="list-style-type: none"> • Amended Modification • Consideration of Business Rules • Review of Impacts and Costs • Review of Relevant Objectives • Consideration of Wider Industry Impacts • Consideration of Legal Text • Development of Workgroup Report

Action Table (as at 05 November 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	05/11/20	1.0	Joint Office to request a Rough Order of Magnitude from Xoserve.	Joint Office (LOS)	Pending