

UNC Workgroup 0746 Minutes
Clarificatory change to the AQ amendment process within TPD G2.3
Thursday 26 November 2020
via Microsoft Teams

Attendees		
Alan Raper (Chair)	(AR)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Sonniya Fagan	(SF)	Joint Office
Carl Whitehouse	(CW)	Shell Energy
Chris Hooper	(CH)	E.ON Energy
David Addison	(DA)	Xoserve
David Mitchell	(DM)	SGN
Ellie Rogers	(ER)	Xoserve
Fraser Mathieson	(FM)	SPAA/Electralink
Gareth Evans	(GE)	ICoSS
Guv Dosanjh	(GD)	Cadent
India Koller	(IK)	SGN
Kirsty Dudley	(KD)	E.ON
Lorna Lewin	(LL)	Orsted
Oorlagh Chapman	(OC)	Centrica
Phil Lucas	(PL)	National Grid
Rebecca Cailles	(RC)	BU-UK
Rose Kimber	(RK)	CNG Ltd
Steve Britton	(SB)	Cornwall Insights
Steve Mulinganie	(SM)	Gazprom Energy
Tracey Saunders	(TS)	Northern Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/0746/261120.

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 April 2020.

1. Introduction and Status Review

Alan Raper (AR) welcomed all to the Workgroup.

1.1. Approval of Minutes (Workgroup 736A: 22 October 2020)

The minutes from the previous meeting were accepted.

1.2. Approval of Late Papers

AR confirmed that no late papers have been submitted.

1.3. Review of Outstanding Actions

No outstanding actions to discuss

2. **Modification (re-numbered from 0736A)**

AR explained at the UNC Modification Panel meeting held on 19 November 2020, it was determined that Modification 0736A should be issued to a new Workgroup for assessment and be renumbered as Modification 0746. He confirmed that the Workgroup is due to report to the April 2021 UNC Panel.

AR went on to clarify that Business Rules 1-3 mirror exactly those of Modification 0736, these are being kept in Modification 0746 to provide clarity and context.

SM advised that extra clarity has been added in Business Rules 4-7 around circumstances when there is an intra-group, Shipper transfer and this Modification largely concentrates on retrospection aspect of the proposal.

SM advised that the Business Rules have been revised and a draft proposal has been provided for this meeting. He advised that the paper has been published on the Joint Office meeting page and added that the revision should address some of the concerns that have been raised.

AR suggested Workgroup revisit the draft proposal, once Modification 0736S reaches its conclusion.

SM clarified that due to the significantly different commercial impact of modifications (0736 and 0736A), and their respective anticipated resolution timelines, the view of the Panel was that the modifications should be separated and progressed individually.

KD asked for an understanding of the impacts, how many sites could be captured by the arrangement and financial magnitude of the retrospective element.

SM clarified that Cadent identified the value of risk, circa £4m, scaled up across all Networks, this could be around £10m.

When KD asked if this focusses on one activity, or if applied, would it identify more parties, SM confirmed this would cover any scenario where there has been a similar degree of supply point registration.

When KD asked how far back the retrospection would go, Workgroup commented that September Workgroup 0736A captured discussions on this element.

Post meeting note:

Taken from September Workgroup 0736A:

Rose Kimber (RK) sought clarification on the retrospective element and asked what the reason for the date being 01 April 2020, adding there is potential that this reason code could have been utilised previous to 01 April 2020.

GE advised that reversing changes to AQ amendments outside of the current gas year has wider impacts on both the fixed and rolling AQs.

SM requested CDSP to investigate AQ reason code 3 to see if there is any evidence of high usage over period to prior the period in set out in the Modification.

New Action 1101: CDSP (DA) to provide data with regards to the numbers of reason code 3 AQ amendments to see if there are any spikes in the data prior to 01 April 2020.

3. Review of Legal Text

This will be covered in the due course.

4. Development of Workgroup Report

This will be covered in due course.

5. Next Steps

AR confirmed that Workgroup will consider the business rules at the next meeting on 14 December and should be in receipt of the CDSP analysis of AQ reason code 3.

6. Any Other Business

None raised.

7. Review of Outstanding Actions

8. 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	Venue	Programme
10:00 Monday 14 December 2020	Microsoft Teams	Detail planned agenda items. <ul style="list-style-type: none"> Consider Modification 0746

Action Table (as at 26 November 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	26/11/20	2.0	CDSP (DA) to provide data with regards to the numbers of reason code 3 AQ amendments to see if there are any spikes in the data prior to 01 April 2020.	CDSP (DA)	Pending