

**UNC Workgroup 0755 Minutes
Enhancement of Exit Capacity Assignments
10:00 Thursday 06 May 2021
via Microsoft Teams**

Attendees		
Rebecca Hailes (Chair)	(RHa)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Adaeze Okafor	(AO)	Equinor
Adam Bates	(AB)	South Hook Gas
Alex Nield	(AN)	Storengy
Andrew Blair	(AB)	Interconnector UK
Andrew Pearce	(AP)	BP
Anna Shrigley	(ASh)	Eni Trading & Shipping
Anna Stankiewicz	(ASt)	National Grid
Ashley Adams	(AA)	National Grid
Ashley Adams	(AA)	National Grid
Bethan Winter	(BW)	WWU
Carlos Aguirre	(CA)	Pavilion
Chris Wright	(CW)	Exxon Mobil
Daniel Hisgett	(DHi)	National Grid
Emma Buckton	(EB)	Northern Gas Networks
Eric Fowler	(EF)	Joint Office
Hannah Reddy	(HR)	Correla on behalf of Xoserve
Henk Kreuze	(HK)	Vermilion
Jeff Chandler	(JCh)	SSE
Jennifer Randall	(JR)	National Grid
John Costa	(JCo)	EDF Energy
Julie Cox	(JC)	Energy UK
Kamila Nugumanova	(KM)	ESB
Kamla Rhodes	(KR)	Conoco Phillips
Lauren Jauss	(LJa)	RWE
Leyon Joseph	(LJ)	SGN
Lucy Manning	(LM)	Grain LNG
Max Lambert	(ML)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Pavanjit Dhesi	(PD)	Interconnect UK
Phil Hobbins	(PH)	National Grid
Richard Fairholme	(RF)	Uniper
Ritchard Hewitt	(RHe)	Hewitt Home and Energy Solutions (on behalf of BBL)
Rudi Streuper	(RS)	BBL Company
Samuel Dunn	(SD)	Interconnector UK
Shiv Singh	(SS)	Cadent

Sinead Obeng	(SO)	Gazprom
Steven Britton	(SB)	Cornwall Insight
Terry Burke	(TB)	Equinor

Copies of all papers are available at: www.gasgovernance.co.uk/0755/040321

The Workgroup Report is due to be presented at the UNC Modification Panel by 17 June 2021.

1.0 Introduction and Status Review

Rebecca Hailes (RH) welcomed all to the meeting.

1.1. Approval of minutes (04 March 2021)

The minutes from the previous meeting were approved.

1.2. Approval of Late Papers

No late papers received.

1.3. Review of outstanding actions

0301: Joint Office (RHa) to inform IGT/UNC regarding changes to TPD Section B paragraph 6.

Update: RHa confirmed this had been done and that no response had yet been received.

Closed.

2.0 Amended Modification / Development of Workgroup Report

Dan Hisgett (DH) confirmed an amendment had not been made to the Modification. Draft Legal Text had been provided to amend UNC TPD Section B6, however further updates are expected for future consideration.

The Workgroup considered the Rough Order of Magnitude (ROM) provided noting that the costs as £235k for the enduring solution, and £295k for implementation costs.

DH wished to capture within the Workgroup Report the Shipper benefits, efficiencies and potential cost savings, welcoming feedback on the benefits Shippers would realise from the arrangements.

Nick Wye (NW) suggested the effect on access to Shorthaul related charges (discounts) may wish to be considered however he would not be able to quantify this.

Richard Fairholme (RF) suggested that storage operators would see efficiencies and economies, where they have more than one customer. DH acknowledged this and explained similar to Shorthaul this would be difficult to quantify.

Julie Cox (JC) wished to note an additional benefit for 'direct connects', industrial customers connected directly to the NTS, in that the arrangements allow a tidier way of moving capacity (transfer of capacity) as part of the change of supplier process. It was also recognised there would be increased efficiencies in the supporting administration processes for National Grid and benefits for competition. JC also noted that CSEPs may also see benefits.

RF highlighted that the process would avoid the need for settlement or back office arrangements currently needed to support capacity trades, as the arrangements would cut out the intermediary and would allow invoice process efficiencies.

Hannah Reddy (HR) wished to note from the ROM that this change would need to be considered and prioritised by the DSC Change Management Committee which may require 2-3 months and there would need to be an 18-20 week post implementation timeline.

The Workgroup briefly considered if there would be an impact to the IGT UNC. It was still unclear what the impact would be. It was therefore agreed that the Joint Office would take a further action to seek a view from the IGTs.

New Action 0501: Joint Office (RH_a) to seek a view from the IGTs on what the IGT UNC impacts would be and if an IGT UNC Modification will be required.

Whilst reviewing the Relevant Objectives a number of minor amendments were noted for the Modification to correct a reference to ASEP which should refer to Exit not Entry and that it would be worthwhile adding some further clarity.

The Workgroup considered the need for an Authority Direction and whether this Modification could be considered as a Self-Governance Modification due to the low materiality. There was no impact or costs to the consumer, nor large re-distribution effects. Phil Hobbins (PH) suggested looking at the rationale from the original modifications (0276 and 0263 available here: <https://www.gasgovernance.co.uk/0276>) which may help inform the Workgroup. The Workgroup briefly considered the criteria for requesting Authority Direction and believed this Modification does not require Authority Direction.

The Workgroup captured comments within the Workgroup Report in line with the discussions and agreed, following the suggested Modification amendments and provision of updated Legal Text, the Workgroup Report could be concluded next month (June).

3.0 Next Steps

RH_a confirmed the next steps for this Workgroup will be:

- Review Amended Modification
- Review suitability for Self-Governance Status
- Consideration of Legal Text
- Completion of 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

Time / Date	Venue	Workgroup Programme
10:00 Thursday 03 June 2021	Microsoft Teams	<ul style="list-style-type: none"> • Amended Modification • Review suitability for Self-Governance Status • Consideration of Legal Text • Completion of the Workgroup Report

Action Table (as at 06 May 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0301	04/03/2021	1.0	Joint Office (RH _a) to inform IGT/UNC regarding changes to TPD Section B paragraph 6.	Joint Office (RH _a)	Closed
0501	06/05/201	2.0	Joint Office (RH _a) to seek a view from the IGTs on what the IGT UNC impacts would be	Joint Office	Pending

Action Table (as at 06 May 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			and if an IGT UNC Modification will be required.	(RHa)	