

UNC Workgroup 0772S Minutes
Transparency Improvements to the Process for
Changing Gas Quality Limits in NTS Connection Agreements
Thursday 01 July 2021
via Microsoft Teams

| Attendees | | |
|---------------------------------------|-------|----------------------------------|
| Eric Fowler (Chair) | (EF) | Joint Office |
| Maitrayee Bhowmick-Jewkes (Secretary) | (MBJ) | Joint Office |
| Adam Bates | (ABa) | South Hook Gas Ltd |
| Alex Nield | (AN) | Storengy |
| Andrew Blair | (AB) | Interconnector UK |
| Angus Paxton | (AP) | Afry |
| Anna Shrigley | (AS) | ENI |
| Anna Stankiewicz | (ASt) | National Grid |
| Ashley Adams | (AA) | National Grid |
| Bethan Winter | (BW) | Wales & West Utilities |
| Carlos Aguirre | (CA) | Pavilion |
| Chris Wright | (CW) | ExxonMobil |
| Christiane Sykes | (CS) | Shell (0705R only) |
| Daniel Hisgett | (DHi) | National Grid |
| Emma Buckton | (EB) | Northern Gas Networks |
| Hannah Reddy | (HR) | Correla on behalf of Xoserve |
| Henk Kreuze | (HK) | Vermilion |
| Jeff Chandler | (JCh) | SSE |
| Jennifer Randall | (JR) | National Grid |
| Julie Cox | (JCx) | Energy UK |
| Kamila Nugumanova | (KM) | ESB |
| Kamla Rhodes | (KR) | ConocoPhillips |
| Lauren Jauss | (LJ) | RWE |
| Lucy Manning | (LM) | Grain LNG |
| Max Lambert | (ML) | Ofgem |
| Phil Hobbins | (PH) | National Grid |
| Phil Lucas | (PL) | National Grid |
| Rachel Hinsley | (RHi) | National Grid (0771S only) |
| Rebecca Hailes | (RH) | Joint Office |
| Richard Fairholme | (RF) | Uniper |
| Ritchard Hewitt | (RHe) | Hewitt Home and Energy Solutions |
| Rudi Streuper | (RS) | BBL Company |
| Samuel Dunn | (SD) | Interconnector UK |
| Shiv Singh | (SS) | Cadent |
| Sinead Obeng | (SO) | Gazprom |

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| Steven Britton | (SB) | Cornwall Insight |
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Copies of all papers are available at: www.gasgovernance.co.uk/0772/010721

The Workgroup Report is due to be presented at the UNC Modification Panel by 16 September 2021.

1.0 Outline of Modification

Eric Fowler (EF) welcomed all to the meeting and invited the Proposer to outline the modification.

Ashley Adams (AA) presented the modification and explained the proposal seeks to improve the transparency of an existing process for facilitating gas quality limit changes to NTS connection agreements. Where National Grid NTS elects to enable such a change via the consent of all Users holding NTS Entry Capacity at the relevant ASEP, wider engagement with industry would be required prior to the contractual change being made.

Please see the published slides for detailed information.

The Workgroup considered the questions set by Panel:

1. A suitable process by which to notify the industry of the proposed change, engagement window period and objection process is needed.

AA suggested that ENA (Energy Networks Association) or the Joint Office would carry out the engagement with the industry.

Richard Fairholme (RF) stated that he would prefer the Joint Office rather than ENA to be tasked with this role. The Workgroup agreed with this view. AA accepted this suggestion and noted that the Joint Office's distribution list was sufficiently broad to allow optimal engagement with the industry.

JCx highlighted there were also a number of trade bodies such as ICoSS who represented large customers who would need to be included in any engagement, and who were already on the Joint Office's distribution list.

Rebecca Hailes (RH) noted that the proposed process had parallels with the Measurement Error Report (MER) process that the Joint Office currently carries out and asked AA to review the MER process. Please see the Measurement Error Guidelines at: <https://www.gasgovernance.co.uk/sites/default/files/ggf/Measurement%20Error%20Notification%20Guidelines%20v4.pdf>

RH noted that the MER process was prescribed in the UNC. She advised that the solution for this Modification would have to ensure this process was embedded into the UNC, directing the Joint Office to administer the process.

New Action 0701: AA to investigate the MER process as a potential model to use for the process Modification 0772 is seeking to introduce.

However, RH added that before the Joint Office was tasked with the role of administering this process on behalf of National Grid, the Joint Office and its stakeholders would need to consider whether they would accept the role.

JCx asked whether the Joint Office was bound by the UNC. RH explained that as an agent of the Transporters, the Joint Office, and in the future 'NewCo', were bound by the UNC.

New Action 0702: AA to liaise with the Joint Office to review the distribution list they hold and review whether this would allow for a sufficiently wide approach for engagement.

2. Consider whether this Modification should be subject to Self-Governance

AA asked the Workgroup to consider Self-Governance, highlighting that this Modification was essentially expanding a process that was already in place. He suggested that it was essentially an enabling Modification which was enhancing a process rather than creating a new one. The Workgroup accepted this view.

The Workgroup also considered the following points:

- Analysis: AA asked the Workgroup whether there was any analysis they would like to review in support of this Modification. He noted that a minimum amount of analysis would be provided as due course, and anything additional would be provided as required.

New Action 0703: AA to provide analysis to support the Modification.

- 10 day consultation period: AA noted the proposed consultation period for the industry to review the change and provide their views was 10 days and that allowing the consultation period to be longer would hinder this enabling Modification.

AA added that National Grid had discussed this internally and were proposing to proceed with the 10 day consultation period unless the Workgroup had any objections. Without any objections from the Workgroup, EF confirmed the consultation period would be for 10 days.

- Who can object: AA asked whether any stakeholder or only Users could object to the proposed process. AA suggested keeping this broad to allow sufficient engagement with the industry. EF and the Workgroup agreed with this view.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

As above.

2.2. Initial Representations

None received.

2.3. Terms of Reference

As matters have been referred from Panel specific Terms of Reference will be published alongside the Modification at www.gasgovernance.co.uk/0772.

3.0 Next Steps

EF confirmed:

- The Workgroup would review the analysis to support the Modification AA will provide at the next meeting.
- The Workgroup Report would be developed.

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 |
|-------------------------------------|----------------------------|-----------------|--|
| 10:00 Thursday 05 August 2021 | 5pm 28 July 2021 | Microsoft Teams | Detail planned agenda items. <ul style="list-style-type: none"> • Consideration of Wider Industry Impacts • Consideration of Legal Text • Development of Workgroup Report |

Action Table (as at 01 July 2021)

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|-------------|--------------|------------|---|--------------------|----------------|
| 0701 | 01/07/21 | 1.0 | National Grid (AA) to investigate the MER process as a potential model to use for the process Modification 0772 is seeking to introduce. | National Grid (AA) | Pending |
| 0702 | 01/07/21 | 1.0 | National Grid (AA) to liaise with the Joint Office to review the distribution list they hold and review whether this would allow for a sufficiently wide approach for engagement. | National Grid (AA) | Pending |
| 0703 | 01/07/21 | 1.0 | National Grid (AA) to provide analysis to support the Modification. | National Grid (AA) | Pending |