

IGT039 Meeting #27
FINAL Minutes

Participants:

Dave Bowles (DB)	FPL	Kay Mackey (KM)*	GTC
Elaine Carr (EC)	Scottish Power	Andrew Margan (AM)	BG
Kirsty Dudley (KD)	Eon	Kish Nundloll (KN)	ESP
Bryan Hale (BH)*	EDF	Trevor Peacock (TP)*	FPL
Maria Hesketh (MH)*	Scottish Power	Paul Rocke (PR)	Gemserv obo.
Gethyn Howard (GH) (Chair)*	GTC		IGT UNC
Mark Jones (MJ)	SSE	Kiran Samra (KS)*	Npower
Steve Ladle (SL)	Gemserv obo.		
	IGT UNC		

**via telecon*

1) Introductions

The meeting attendees introduced themselves. GH confirmed that the meeting would generally be to provide a progress update on the various areas being worked on for the mod and that there was little new material. As such this was the reason for the meeting to be held as an agenda item within the IGT Shipper work group meeting rather than a standalone meeting.

2) Review of actions

- 1) JD to undertake further analysis on SSP funding.
See agenda item 5 – carried over
- 2) GH to speak to JD about potential options to progress Xoserve development cost recovery.
See agenda item 5 – carried over
- 3) GH to review drafting with lawyers for E1.3.
GH confirmed that this change has not yet been made as the external lawyers are still working on reviewing the text. Once this has been completed, this change would be incorporated into the drafting. - carried over
- 4) GH to amend drafting to remove smaller under F11.1
GH confirmed that this change has not yet been made as the external lawyers are still working on reviewing the text. Once this has been completed, this change would be incorporated into the drafting. - carried over
- 5) GH to draft overview of review requirements for ancillary documents to be reviewed and amended outside of IGT039 and list in work group report.
GH confirmed that this piece of work has been completed but it was then discovered that this had not been circulated. GH agreed to circulate the document following the meeting. - closed
- 6) KS to draft overview paper of SOQ issue in advance of next IGT Shipper Workgroup meeting.
It was confirmed that the SOQ discussion would be taking place at the Shipper Workgroup as an agenda item. KS confirmed that - closed
- 7) GH to add recommendation in the work group report that IGT039 proceeds to consultation.

See agenda item 7 – closed

- 8) Action – GH to review and circulate revised timeline for completion of IGT039 work.
GH confirmed that this had been circulated along with the agenda for the meeting and would be discussed under agenda item 8 – closed

3) Legal Drafting Update

GH confirmed that the following events had taken place:

- **6th August:** Complete draft sent to external law firm for review.
- **14th August:** Telecon held with external law firm to discuss their main concern which focused on “documentary risk” i.e. the risk of a provision in the IGT UNC being interpretation in a manner not intended by IGTs or shippers.
- **20th August:** AIGT call to discuss external law firm feedback and to agree a preferred way forwards for external law firm to complete the work. Agreement was reached to support external law firm’s approach with a two week turn around (target date of 5th September). On 5th September, an extra week extension was granted due to size of the review (target date for completed review 15th September).
- **15th September:** Drafting received from external law firm which listed circa 50 questions. A call is lined up to take place on 24th September to discuss the comments with the external law firm and to agree timeframes for completion (if required).

KS queried whether the drafting had changed much since the “baseline” was circulated previously. GH confirmed that the drafting approach was essentially the same as originally drafted with the main change being that additional references within the UNC had been specifically incorporated by reference. As such, the “look and feel” of the drafting should be similar to what has been circulated previously though it was now providing a higher level of detail to which parts of the UNC apply for IGT processes.

4) Progressing changes to Ancillary Documents

GH confirmed that he had produced an overview document which provided a framework to review each of the ancillary documents in order to determine whether any changes were required to support SSP. It was noted that this document had not been circulated and so parties had not had an opportunity to review. GH confirmed he would circulate the document following the meeting and the intention was that it would form the basis for the ancillary documents to be reviewed at the next Shipper Work Group meeting.

Action – GH to circulate ancillary document changes framework document.

5) Update on Funding Issues

GH confirmed in line with the previous update that the IGT039 funding arrangements would be a temporary funding solution and would be replaced by the output of the FGO work, the detailed discussion of which is expected to start in around Q2 2015. However, there had been no progress with Ofgem with regards to the funding methodology since the last IGT039

meeting. It was clarified that the hold up was not with the funding approach (i.e. Cost Neutral vs. Revenue Neutral) but the actual methodology and numbers themselves which were not available. AM raised concerns that this was a fundamental part of the modification and the lack of progress could be a major risk to the project's success. GH confirmed that IGTs were also of the same view and had been trying to progress the matter with Ofgem via the AIGT, such is the importance. KS confirmed that concerns around SSP funding had also been discussed at the Gas Forum in September though it was decided to wait for the modification decision on UNCO440 before potentially raising concerns to Ofgem. It was suggested that the IGT UNC Panel may wish to write to Ofgem to raise concerns over the lack of progress. SL agreed to produce a first draft and IGT039 members would review before sending to the Panel.

Action – SL to draft IGT039 letter to Ofgem to highlight concerns over lack of progress on IGT039 funding arrangements.

6) Review of Issues Log

GH confirmed that there had been no amendments to the Issues Log since the meeting in August. As such, the only two items highlighted in red on the report are:

- 1) The query on whether or not "SOQ" should be a required field (to be discussed at the Shipper WG); and
- 2) A change to the IGTAD to link termination provisions together (to be taken forwards outside of IGT039)

It was agreed that the issues log would remain under continuous review.

7) Review of Skeleton Work Group Report

GH confirmed that all historic change marked amendments to the report had been accepted to provide a "clean draft" and a small number of changes had been made in change marked format based on the comments raised at the last meeting. GH outlined the most recent changes as follows:

- Revised wording to confirm the IGT039 funding arrangements would be replaced by those determined under the Xoserve FGO.
- Extended list of ancillary documents to be reviewed outside of IGT039.
- Recommendation that the modification proceeds to consultation.

There were no further changes requested to the report.

8) Next Steps and Work Plan Review:

In terms of next steps, GH confirmed that for the legal drafting circulation, he expected to be in a better position to advise following the call with the external legal firm on 24th September. With regards to the funding aspects of SSP, it had already been agreed under agenda item 5 that the Panel would write to Ofgem to raise concerns over a lack of progress on the matter.

The group noted the timeline of events that had been circulated prior to the meeting but this was put together prior to the AIGT receiving a list of drafting questions for review. It was therefore agreed that the timeline would be kept under review .

Action – GH to provide an update to the IGT039 development group on the legal drafting timeframes following the AIGT call with the external law firm.

9) Future Meeting Dates:

GH confirmed that it would be useful to have another teleconference update meeting within a relatively short timeframe as it is expected that at this stage, the legal drafting will either be about to be circulated to the industry or already have been. It was therefore agreed to hold the next IGT039 meeting on 9th October via teleconference.

10) AOB:

There was no AOB

Actions:

- 1) JD to undertake further analysis on SSP funding.
- 2) GH to speak to JD about potential options to progress Xoserve development cost recovery.
- 3) GH to review drafting with lawyers for E1.3.
- 4) GH to amend drafting to remove smaller under F11.1
- 5) GH to circulate ancillary document changes framework document.
- 6) SL to draft IGT039 letter to Ofgem to highlight concerns over lack of progress on IGT039 funding arrangements.
- 7) GH to provide an update to the IGT039 development group on the legal drafting timeframes following the AIGT call with the external law firm.