

MEMORANDUM

TO: GTAC Stakeholders
FROM: First Gas
DATE: 24 July 2018
RE: Block 1 Outputs – 11 Transition Arrangements

This memo sets out the transition issue identified to date as discussed during the workshop on Thursday, 12 July 2018 documented in the Draft Minutes issued by the GIC on 17 July. This memo will be updated as further issues are identified to serve as a record.

Position reached

The parties agreed that transition from the current codes to the GTAC is a technical matter that First Gas should consider and present a proposal to the group.

First Gas is to consider and report back to the group on the extent to which the D+1 pilot agreement is already incorporated into the GTAC.

Shippers would have a go at re-writing Schedule 3 of the MBB Pilot Agreement with a view to having that schedule incorporated as a schedule to the GTAC. That would address any concerns that shippers may have regarding the absence of a wash-up agreement.

Points raised during discussion

- 1. Whether parties' positions are carried over from the MPOC/VTC to the GTAC or whether a reset occurs on 30 September.*
- 2. There needs to be clarity regarding the treatment of cash-outs under the MPOC when transition to the GTAC occurs.*
- 3. Transition may need to be addressed as a separate schedule to the GTAC.*
- 4. Other issues in relation to transition were likely to be identified as the process develops.*

Way Forward

First Gas agrees with the core principles that transition issues are technical. As such we propose that these matters do not necessarily need to be closed out prior to the submission of the GTAC in mid-September. The reasons for this are as follows:

- This will allow First Gas and stakeholders to manage workload.
- This will ensure the most complete list of issues is identified prior to undertaking the work.

Furthermore, First Gas has received input from stakeholders on the wording of a schedule 3 to the GTAC. Based on this work, First Gas is assessing how the D+1 Pilot Agreement is already incorporated into the GTAC.

First Gas will complete this work and issue a proposal during August in order for this to be discussed at the workshops between 18 and 20 September.

Transition Issues identified to date

The following table will be updated following each workshop to maintain a record of issues to be considered.

No.	Description
T1	Whether parties' positions are carried over from the MPOC/VTC to the GTAC or whether a reset occurs on 30 September.
T2	There needs to be clarity regarding the treatment of cash-outs under the MPOC when transition to the GTAC occurs.
T3	Transition may need to be addressed as a separate schedule to the GTAC.