

**Transmission Workstream Minutes**  
**Thursday 06 May 2010**  
**Elexon, 350 Euston Road, London NW1 3AW**

<b>Attendees</b>		
Tim Davis (Chair)	(TD)	Joint Office
John Bradley (Secretary)	(JB)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Andrew Pearce (am)	(AP)	BP Gas
Anna Shrigley (am)	(AS)	Eni UK Ltd.
Bethan Winter	(BW)	Wales & West Utilities
Chris Shanley (pm)	(CS)	National Grid NTS
Chris Wright (am)	(CW)	Centrica
David Turner (am)	(DT)	Gassco
Fergus Healy (am)	(FH)	National Grid NTS
Graham Thorne	(GT)	Canatxx Gas Storage
Ian Taylor	(IT)	Northern Gas Networks
Joanna Ferguson	(JF)	Northern Gas Networks
Julie Cox	(JCo)	AEP
Kirsten Elliott-Smith (am)	(KES)	ConocoPhillips
Landon Larson (am)	(LL)	ExxonMobil
Mark Dalton (am)	(MD)	BG Group
Nick Reeves	(NR)	National Grid NTS
Paul O'Donovan (am)	(POD)	Ofgem
Rekha Patel (am)	(RP)	Waters Wye
Richard Fairholme	(RF)	E.ON UK
Richard Jones (am)	(RJ)	xoserve
Richard Sarsfield-Hall	(RSH)	Poyry Consulting
Shelley Rouse (am)	(SR)	Statoil
Simon Trivella	(ST)	Wales & West Utilities
Stefan Leedham	(SL)	EDF Energy
Steve Bushill (pm)	(SB)	GL Associates
Steve Fisher (am)	(SF)	National Grid NTS
Steve Pownall (am)	(SP)	National Grid NTS
Steve Sherwood	(SS)	Scotia Gas Networks

## 1. Introduction

*Copies of the various presentations are available to view and/or download from the Joint Office web site at [www.gasgovernance.co.uk/tx/060510](http://www.gasgovernance.co.uk/tx/060510).*

TD welcomed attendees to the meeting.

### 1.1 Minutes of the previous Workstream Meeting

The minutes of the previous meeting (01 April 2010) were accepted.

### 1.2 Review of Outstanding Actions

**Action TR0203:** National Grid NTS to check if the mismatch between flex zones and linepack zones was being addressed, and consider the interaction between the zones and what triggers changes to locations, and report back.

**Update:** SF stated that the flex zones were contained within the line pack zones. **Action Closed**

**Action TR 0301:** RH to clarify what information National Grid NTS will be publishing regarding the Operating Margins Tender process.

**Update:** The same report that was published this year will be published shortly.

**Action carried forward**

**Action TR 0303:** Project Discovery - BW to confirm the work that Ofgem is undertaking on gas quality and the next steps.

**Update:** Response will be informed by other work currently underway under Project Discovery. Deferred to June. **Action carried forward**

**Action TR 0307:** FH to consider presenting data on usage of Trades and Transfer opportunities and on non-obligated capacity release to a future Workstream.

**Update:** This data was presented. **Action Closed**

### 1.3 **Review of Workstream's Modification Proposals and Topics**

#### 1.3.1. **Modification Status Report (Modification Proposals Register)**

*The Modification Proposals Register is available to view at: <http://www.gasgovernance.co.uk/mods/>.*

TD gave an update on live and recently closed Modification Proposals.

#### 1.3.2. **Topic Status Report**

*The Topic Status Report for the Transmission Workstream is located on the Joint Office website at: <http://www.gasgovernance.co.uk/mods/>*

TD gave an update covering topics not otherwise on the agenda.

#### 1.3.3. **Related Meetings and Review Groups**

POD stated the NTS Carbon Capture and Storage document would be published that day for a four week consultation. Ofgem will be doing a combined impact assessment on GCM19 and the related UNC Modification Proposals. These seek to limit the availability of zero reserve price Firm and Interruptible Capacity at Entry

## 2. **UNC Modification Proposals**

### 2.1 **Modification Proposal 0287 - Change System Capacity Transfers Notification Time Limit from 04:00 to 03:00 hours**

To assist the Workstream on the question of materiality, FH presented a summary of the number of nominations made after 03.00 in each year. Over the last five years there had been 161 entry transfers registered of which 147 were confirmed. This varied from 36 confirmations in 2007 to 3 in 2010.

TD advised that at the Modification Panel Meeting held on 22 April 2010, the Panel had agreed that new issues had been raised within the representations, and the Workstream had been requested to consider these in the light of the relevant objectives. ST suggested that if that information presented by FH had been available, it probably would not have been sent to the Workstream.

In response to a request for further information on materiality, FH agreed to provide information on quantity transferred to supplement the numbers of trades in the slide.

CW asked for views on how implementation might further the achievement of the relevant objectives - he had found it difficult to discern any compelling benefit from the Proposal or the responses. SF identified the lack of system support for transfers registered between 03.00 and 04.00 - the system goes down for maintenance at 04.00. However, while he agreed that National Grid NTS was coping with the current volumes, SF had more concerns with Exit Capacity due to the need to comply with the 1 in 20 obligation. TD pointed out that this had not

been raised previously but did relate to the relevant objective of delivering licence obligations.

SF then suggested that trades registered between 03.00 and 04.00 would get a different treatment from those registered earlier, which might be considered discriminatory and so also impact the relevant objectives regarding facilitation of competition. Others argued that there would be no undue discrimination as all would be treated the same within the window – although TD pointed out the suggested discrimination was temporal.

POD indicated that, to assist making its decision, Ofgem would welcome further information on the Exit issue and how the relevant objectives were likely to be impacted. SF agreed to provide this for the June Workstream.

**Action TR 0501: National Grid NTS (SF) to provide information on bid quantities registered between 0300 and 0400 over the last five years and information on the Exit Capacity implications for achieving 1 in 20 security if Proposal 0287 were not implemented.**

## **2.2 Modification Proposal 0295: Allocation of Daily NTS Entry Capacity Within-Day**

RF gave a presentation on this Proposal. Currently there are no set timescales and EON was proposing an obligation on National Grid NTS to consider all bids at the next hour bar. Whilst recognising that this principle is usually followed by National Grid NTS, he was concerned that if the system were under stress the performance might deteriorate. SF clarified that the latest time at which a bid can be made currently is 02.00 and the Proposal does not seek to change this aspect. National Grid NTS commented that they did not anticipate opposing this Proposal. In response to a question from SL, National Grid NTS stated that any non-accepted bid would continue to be rolled forward to the following hour bar, although the Shipper would continue to be able to withdraw the bid if it had not been accepted. SL pointed out that this was unclear in the UNC currently and the Proposal did not provide any clarity on this issue. RF undertook to review this aspect and suggested that, whilst he believed this Proposal is sufficiently clear to proceed to consultation, he would consider any suggestions to improve the clarity.

## **3. Topics**

### **3.1 Topic 003TR Review of NTS Exit Capacity Arrangements**

#### **3.1.1. Proposal to amend the DN adjustment window**

FH summarised the draft proposal and the minor changes made since the last month. National Grid NTS was considering bringing forward its indicative statement so that parties would have more time to consider and discuss this. ST suggested that National Grid NTS could meet this already under the UNC and SF agreed to see whether it could be delivered. TD suggested that the 15 Business Days criteria should refer to “by” 15 Days to allow earlier submission. He also suggested that a Plain English summary would be helpful, which was expected to be a requirement for Proposals in future.

### **3.2 Topic 022TR European Transparency Requirements**

#### **3.2.1. National Grid EU Transparency Project Update**

NR gave this presentation. JCo asked about the definition of new data items that National grid NTS intended to publish. NR responded that it would include existing data currently unpublished, and that published less frequently than daily. JCo believed that the EU data requirements had been finalised during the previous week. RF pointed out that the word

“rolling” was not incorporated in the Regulation. NR acknowledged this but was confident that National Grid NTS’ proposals were compliant. DT asked for a list of proposed data items to be issued as soon as possible. National Grid NTS responded that this would be submitted to a future Workstream.

There was some discussion on the timetable - it was fairly tight and delivery on time would be endangered if issues arose. It was noted that National Grid NTS intended to complete the development of systems prior to obtaining approval for changes to the published data via an NCORM change approved by the Uniform Network Code Committee (UNCC). National Grid NTS responded that it would seek to issue the intended data set as early as possible so that this might be debated prior to formal approval by the UNCC.

**New Action TR 0502:** National Grid NTS (NR) to provide to the June Workstream a list of data items proposed and cross-reference these to the EU Regulation.

### **3.3 Facilitating NTS 3rd Party-Connected Storage – National Grid NTS**

SP gave this presentation. Some facilities are under development that will be connected via third party pipelines to the NTS. Currently the UNC only covers direct connections. National Grid NTS asked for views on how a Modification to address this might be developed, such as a Review Group, sub-group of the Workstream or the Workstream itself. SR supported the formation of a sub-group. GT confirmed that work had progressed in the Gas Storage Operators Group such that this would not be starting from a blank sheet of paper. One of the key issues was to only cover facilities where the injected gas had been through the NTS and would be returned to the NTS. ST pointed out that the UNC currently states that Storage Facilities have to be connected to the System – not necessarily the NTS. It was also clarified that the scope would be within Great Britain – Northern Ireland was under a different jurisdiction.

There was some discussion on whether the scope was too restrictive. SP responded that wider Proposals could be made by others, either now or later, but he considered it important that the group focus on the initial scope presented in order to address the identified issue.

### **3.4 Topic 008TR Entry Capacity**

#### **3.4.1. Trade and Transfer Update – National Grid NTS**

FH gave this presentation. There had been no stage 2 activity during the last winter. There had been capacity surrendered at Bacton, Easington, Theddlethorpe and St Fergus. NTS were seeking to compress the processes still further, as was envisaged when the Modification was proposed.

### **4. Any Other Business**

National Grid NTS (NR) gave a presentation on Review Group 0291. DT indicated that there might be interest if a tolerance service was to be developed but less interest in a parking service. RSH suggested that the service outlined in previous presentations might have unintended consequences or even opportunities, and consequently suggested that care should be taken when considering options.

### **5. Diary Planning**

The next Transmission Workstream meeting is due to be held at 10:00 on Thursday 03 June 2010, at Elexon, 350 Euston Road, London NW1 3AW.

Details of all planned meetings are on the Joint Office website at:  
[www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary).

*(pm session follows)*

**6. Modification Proposal 0273 – Governance of Feasibility Study Requests to Support Changes to the Network Exit Agreements**

**6.1 Review of draft documentation to be published by National Grid NTS**

CS began by tabling a proforma template by which requests would be summarised and which would be updated to reflect progress, including any delays against milestones. The question was asked whether the DNs would adopt the same proforma. ST's initial reaction was that they would follow best practice but the NTS document may be more than required for a DN connection.

CS then summarised the Gas Feasibility Study Application Guide. JCo queried whether NTS would really require details of downstream plant and RF suggested some of the information might be commercially confidential.

After further discussion, it was agreed that National Grid NTS would revise and republish the proforma and guide.

**6.2 Review revised draft Modification Proposal to be provided by E.ON**

RF presented a number of slides on timescales raising the issue of whether informal timescales were sufficient. SL responded that he still favoured formal timescales even if those timescales were generous. RSH was concerned that for changes to existing sites, such timescales might be unnecessarily long and delivery could consequently be delayed. CS responded that National Grid NTS can, and does, work to tighter timescales.

**6.3 Talk through projected timescales – National Grid NTS**

CS then presented a detailed set of slides on the considerations that have to be made during a feasibility study. One of the key issues highlighted was transient pressures during start-up or shut-down. On rapid start-up very low pressures could be created: on shut-down oscillating high pressures could be observed. Both these eventualities might have safety or security implications. As one of the contractors used by National Grid NTS, SB took the meeting through a flowchart which detailed the transient analysis applied and mentioned that, in a recent example, 60 scenarios were modelled to ensure operating conditions and eventualities were understood. During this presentation CS and SB addressed the range of questions posed by Workstream members.

**6.4 Confirmation of tasks for Session 5 (Thursday 03 June 2010)**

It was agreed that the next session would concentrate on amendments to the Proposal and production of the group's Report.

**Action Log – UNC Transmission Workstream: 06 May 2010**

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
TR 0203	04/02/10	3.3	National Grid NTS to check if the mismatch between flex zones and linepack zones was being addressed, and consider the interaction between the zones and what triggers changes to locations, and report back.	National Grid NTS (SF)	Information provided <b>Closed</b>
TR 0301	04/03/10	1.3.2	Clarify what information National Grid NTS will be publishing regarding the Operating Margins Tender process	National Grid NTS (RH)	Report as last year <b>Closed</b>
TR 0303	04/03/10	3.1	Confirm the work that Ofgem is undertaking on gas quality and the next steps.	Ofgem (BW)	Update due 03 June <b>Carried forward</b>
TR 0307	04/03/10	4.3	Consider presenting data on usage of Trades and Transfer opportunities and on non-obligated capacity release to a future Workstream.	National Grid NTS (FH)	Presentation made on 06 May <b>Closed</b>
TR 0501	06/05/10	2.1	Provide information on bid quantities registered between 0300 and 0400 over the last five years and information on the Exit Capacity implications for achieving 1 in 20 security if Proposal 0287 were not implemented.	National Grid NTS (SF)	
TR 0502	06/05/10	3.2	Provide to the June Workstream a list of data items proposed and cross-reference these to the EU Regulation.	National Grid NTS (NR)	