

GAS CUSTOMER FORUM MINUTES

Monday 27 November 2006

Elexon Office, 350 Euston Road, London

Attendees

Tim Davis	(Chair)	(TD)	Joint Office of Gas Transporters
Mike Berrisford	(Secretary)	(MB)	Joint Office of Gas Transporters
Alex Spreadbury		(AS)	B&Q
Brian Farrow		(BF)	SBGI
Claire Gibney		(CG)	NHS Purchasing & Supply Agency
Eddie Proffitt		(EP)	Major Energy Users Council
Gary Ward		(GW)	Energy Consortium (Education)
Helen Bray		(HB)	Chemical Industries Association
Mark Freeman		(MF)	National Grid Distribution
Paul Savage		(PS)	energywatch
Ritchard Hewitt		(RH)	National Grid NTS
Stefan Leedham		(SL)	EDF Energy

Apologies

Bali Dohel	(BD)	Scotia Gas Networks
Kerri Matthews	(KM)	National Grid Distribution
Liz Spierling	(LS)	Wales & West Utilities
Mark Thompson	(MT)	Centrica
Robert Cameron-Higgs	(RCH)	Northern Gas Networks

1. Introduction

- 1.1 TD gave an introduction, including the Elexon Emergency Evacuation arrangements.
- 1.2 Minutes of the meeting held on 25 September 2006 were accepted.

Members expressed concern at the lack of DN representatives present at the meeting. This non-attendance (and varying who attends) 'breaks' continuity between meetings and raises doubts about DNs commitment to customers. TD pointed out that this might be a reflection of the heavy industry commitments at this time, especially with all the work on Interruption and Exit Reform. RH pointed out that National Grid NTS value the opportunity to meet customers on a regular basis, such as the GCF meetings.

Action GCF028 – TD to write to DNs seeking ideas as to what would make them support the GCF. (*email sent to DN's 28/11*)

Members once again expressed concern that no Ofgem representative had attended the meeting.

Action GCF029 – Members to raise concerns at Ofgem Customer meeting.

Action GCF030– TD to subsequently contact Ofgem regarding attendance.

- 1.3 TD reviewed actions from the previous meeting.
 - Outstanding action items (**GCF015, GCF020, GCF021, GCF022, GCF025 and GCF026**), the Joint Office had not received updates from the respective action owners. **Actions: Carried Forward**

- **GCF023**, the IGEM document had not been provided to the Joint Office, but was readily available. **Action: Closed**
- **GCF027**, completed 27 September 2006. **Action: Closed**

On Action GC015, EP highlighted that he has waited a year for consistent data and requested that the Joint Office chase a resolution to the problem.

Action GCF031 – TD to contact RCH for update and to identify a way forward.

On Action GCF025, RH reported on Exercise Neptune:

- Firm Load Shedding had improved
- Non-contactable percentage remains high at 33%
- Isolation of the DN Networks improved over Exercise Moscow
- HSE report anticipated by the end of the week with public release thereafter

CG advised members that the delayed release of the public version of the HSE report had been discussed at a recent Ofgem meeting.

Action GCF032 – RH to ascertain whether or not a 'public' copy of the HSE report can be provided at the same time as it is provided to HSE. (*email issued by the JO on 30/11*)

SL highlighted concerns with the contact information used. They had updated theirs prior to the Exercise, but xoserve had used out of date information. RH said NTS would be concerned should this turn out to be correct.

Action GCF033 – RH to ascertain if xoserve may have utilised out of date information.

TD asked whether improving contact data should be left to Ofgem's proposed workgroup, which was agreed.

Action GCF034 – MB to include Exercise Neptune on the next GCF Agenda.

2. Presentations

2.1 Publishing Consumer Demand Information (Mod 0121) (S Leedham)

SL ran through the presentation, responding to members that EDF believed including LDZ connected loads within this Proposal would have been a step too far. SL explained EDF are trying to tease out information that Shippers can already view elsewhere. Members suggested that the Proposal should consider including all DM sites.

Members suggested the driver for raising this Proposal appeared to be symmetry with Modification 0006, "Publication of Near Real Time Data at UK sub-terminals". SL emphasised this was not the case and that the additional information would assist with balancing and demand side response.

Some members were concerned that the information being sought was commercially confidential, notably for feedstock users. HB confirmed she was in discussion with these consumers. SL emphasised that EDF were not seeking to publish confidential information and nobody had yet indicated a specific concern. If a real concern was identified, EDF would amend the Proposal to include aggregation and so protect confidentiality.

2.2 DN Interruption Reform (M Freeman)

Consultation on Modification Proposal 0090 closes-out on 30 November, and the Ofgem Incentives and Draft Impact Assessment on 12 December. Concern was expressed that Ofgem's decision may be based on poor information and that the lack of clarity in their timelines is worrying, suggesting that perhaps the DNs should discuss the matter with Ofgem. It was accepted that if consumers have specific cost data, they should include this in their representations.

Members questioned why DNs need incentivising, and MF pointed out that the DNs may have choices which were best made in response to incentives. On information, the DNs expected to publish location specific interruption requirements early in 2007.

MF agreed that education regarding the impact of the new regime would be helpful, and invited views on how best to achieve this. He advised that where Shippers acquire a site, take on the associated interruption obligations. If sites choose not to bid, they will change status from Interruptible to Firm. MF advised that open tendering would be proposed, reflecting responses received from the Pricing Consultation. Members were concerned by this, and said they did not know how to value interruption. TD advised members that they should highlight their difficulties in responding to both Ofgem's IA and the Modification Proposal.

Any ideas on how best to publicise the new regime should be sent to MF.

Action GCF035 – MB to include Interruption Reform on the next GCF Agenda.

2.3 Transmission Issues (R Hewitt)

R Hewitt highlighted that Modification Proposal 0100 "Amendment to OPN/SFN submission times" was raised as a consequence of consumer and Shipper desires for more accurate demand forecasts. As a result, Shippers may be requesting information at different times in future. Members asked if the Modification was time limited, like the associated incentive scheme, and RH clarified that it was not.

RH ran through UNC Modification Proposal 0116 "Reform of the NTS Offtake Arrangements" and its variants, and the associated charging methodology consultations. Members asked if indicative charges were available. TD advised that the JO had issued a note giving details as to how a spreadsheet could be obtained from National Grid – see <http://www.nationalgrid.com/NR/rdonlyres/710064AE-FDD4-43D4-910E-0201336A6649/13048/NTSTransportationModelLicenceNovember2007.pdf>.

On Winter 2006/07, members enquired if any modelling had been undertaken for the 2nd half of the winter as the Met Office had suggested it may be 1:10 cold. RH confirmed that a number of scenarios had been considered, such as modelling the impact of the weather seen in 1985/86, which was also 1:10 cold.

After the meeting, RH corrected that the demand side response shown as required in his presentation was not solely from firm loads:

'In our winter simulation analysis no distinction is made between firm and interruptible demand. However it is worth noting that the demand response shaded in yellow is additional to the demand response implicitly incorporated within the 'restricted' demand. Some of this demand response already implicitly incorporated may have come from the traditional 'interruptible' sector.'

Members questioned the accuracy of 1:10, 1:20 and 1:50 forecasts given the apparent global warming. RH advised these are constantly monitored to ensure accuracy.

RH reminded members that winter information is available on the National Grid web site and that any feedback would be welcomed.

3. Modification Proposals

3.1 Review of UNC Modification Proposals (T Davis)

TD highlighted the UNC Modification Proposals, not previously discussed in the meeting, that he expected to be of greatest interest to the GCF, specifically:

- 0088 “Extension of DM service to enable Consumer Demand Side Management”, which the UNC Panel have directed to consultation with a delayed start to the consultation window whilst a High Level Costing impact is prepared.

Members were concerned the Proposal did not prevent barriers to Supplier switching being created, and felt industry standards for AMR should be introduced. TD advised members to ensure that their representations reflect their concerns.

- 0104 “Storage Information at LNG Importation Facilities”, suggesting that should members see benefits, it would be helpful if they were to submit a representation.

4. Customer Issues

4.1 DNO Update

No issues raised.

4.2 Customer Issues

Surprise was expressed at the DN Price Control proposal for 2007/08, with increases of 10%. It was argued that:

1. Pensions should have been funded by National Grid rather than returning money to shareholders post DN Sales; and
2. any new system investment should have gone through due process of justification and subsequent approval cycles.

TD advised that these concerns were best addressed to Ofgem.

4.3 Regulatory Issues

In the absence of an Ofgem representative, there was no further information available.

5. Date of next meeting and agenda items

5.1 Future Meeting Venues

TD reminded members that the 29 January 2007 GCF meeting is scheduled to take place at the Elexon Office, 350 Euston Road, London.

Dates and locations are also included on the Joint Office calendar, at <http://www.gasgovernance.com>

6. A.O.B.

TD closed the meeting and asked members to submit any suggestions for agenda items to the Joint Office via enquiries@gasgovernance.com

Appendix A

Action Log – Gas Customer Forum – 27 November 2006

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GCF015	24/04/06	4.1	Northern Gas Networks to report on the xoserve discussion at a future GCF meeting.	JO	Carried Forward 27/11/2006
GCF020	10/07/06	2.2	Transporters to consider the appropriateness of customers, rather than xoserve, owning AQs.	Trans'	Carried Forward 27/11/2006
GCF021	10/07/06	2.2	xoserve to consider issuing the base date from which AQs are calculated.	SN	Carried Forward 27/11/2006
GCF022	10/07/06	2.3	Joint Office to seek an Ofgem view on the iGTs being bound by the UNC	MB	Carried Forward 27/11/2006
GCF023	10/07/06	4.2	Joint Office to publish IGEM paper when received.	MB	Closed 27/11/2006
GCF025	25/09/06	2.3	Joint Office to circulate the statistics for Exercise Neptune and include on the 27 November 2006 GCF Agenda, including organising a guest speaker.	MB	Carried Forward 27/11/2006
GCF026	25/09/06	2.3	DNs to consider providing a breakdown explaining movements in charge levels.	DNs	Carried Forward 27/11/2006
GCF027	25/09/06	2.3	Joint Office to add a new column on the Live Modification Register to identify the proposing organisation.	MB	Completed 27/09/2006
GCF028	27/11/06	1.2	Joint Office to write to the DNs seeking ideas as to what would make them support the GCF.	TD	Completed 28/11/2006
GCF029	27/11/06	1.2	GCF members to raise their concerns over a lack of representation during their next Ofgem Customer meeting.	Memb's	29/01/2007

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GCF030	27/11/06	1.2	Joint Office to write to the Authority seeking a view on their possible attendance at GCF meetings.	TD	29/01/2007
GCF031	27/11/06	1.3	Joint Office to write to NGN (R Cameron-Higgs) requesting an update on the delay in providing data to the MEUC.	TD	29/01/2007
GCF032	27/11/06	1.3	NG NTS to ascertain whether or not a 'public' copy of the HSE report can be provided at the same time as it is provided to the HSE.	RH	Completed 30/11/2006
GCF033	27/11/06	1.3	NG NTS to ascertain if xoserve may have utilised out of date information during Exercise Neptune.	RH	29/01/2007
GCF034	27/11/06	1.3	Joint Office to ensure that Exercise Neptune is on the January 07 GCF Agenda.	MB	22/01/2007
GCF035	27/11/06	2.2	Joint Office to ensure that Interruption Reform is on the January 07 GCF Agenda.	MB	22/01/2007