

**Review Group 0140 Minutes
Tuesday 21 August 2007
Elexon, 350 Euston Road, London NW1 3AW**

Attendees

John Bradley (Chair)	JB	Joint Office of Gas Transporters
Lorna Dupont	LD	Joint Office of Gas Transporters
Alexandra Campbell	AC	EON UK
Bali Dohel	BD	Scotia Gas Networks
Charles Ruffell	CR	RWE Npower
Chris Logue	CL	National Grid Transmission
Chris Wright	CW	BGT Centrica
Claire Rozyn	CR	Ofgem
Eddie Proffitt	EP	MEUC
Ian Barnes	IB	National Grid Transmission
Richard Street	RS	Statoil
Roddy Munro	RM	Centrica Storage
Stefan Leedham	SL	EDF Energy

Apologies

Roger Golding	RG	Scotia Gas Networks
Tim Davis	TD	Joint Office of Gas Transporters

1. Introduction

The Chairman welcomed all attendees to the meeting.

2. Review of Minutes and Actions from the previous meeting (27 July 2007)

2.1. Minutes

SL pointed out that the data dictionary had been placed on the Joint Office website less than five business days before this meeting. His recall of the meeting was that notice of at least five business days had been agreed. Subject to this qualification, the minutes were accepted.

2.2. Updates on Actions

Action RG140/02: National Grid NTS (PG) and DNs (RG) to consider whether both types of demand can be displayed on the system, and establish/confirm that the DNs would be in acceptance of such. RG to ascertain data owned by DNs and confirm that inclusion on a single website would be acceptable.

Update: CL gave an update. A legacy situation exists and National Grid NTS will continue to publish certain information until such time as the DNs create their own Control Rooms and take over this individual responsibility. CL acknowledged the Shippers' desire for publication on a single site but there were concerns regarding the publishing of all demand data for DM sites – this would be a sizeable system requirement, given the volumes, and the majority of this would be DN sites data and not related to NTS sites. SL and RS evinced the Shippers frustration - it was questioned that the publishing rights were dependent on the source of the data, ie UK Link – and thought that in this case National Grid owned the data. The frustration existed in part because, from the Shippers' perspective, xoserve is the service

provider for all to all and there seems to be unnecessary constraints on what could be published and where.

JB pointed out that this action needed an agreed resolution before the next meeting. **Action remained on hold.**

Action RG140/09: Provision of LDZ offtake data and Supply Point demand data broken down into three categories to be considered by National Grid NTS (CL/PG).

Update: CL reported that National Grid was continuing to look at this, but had not reached a resolution. It was proposed to produce the Data Dictionary 'as is', and get a second version ready for next autumn to accompany the next release of MIPI. These issues could be addressed at that stage.

JB pointed out that this action needed an agreed resolution before the next meeting. **Action carried forward.**

Action RG140/10: National Grid NTS to make proposals at the next meeting on how actual flexibility capacity utilisation could be most usefully reported.

Update: CL asked for this to be closed in light of the 0116V Appeal outcome. **Action agreed closed.**

Action RG140/12: SL to check internally on the perceived usefulness of the availability of an annual figure of interrupted capacity in each DN on 01 October each year.

Update: SL reported that discussions were continuing and that EDF would take this forward separately. SL requested that the action now be closed. **Action agreed closed.**

Action RG140/14: Following each Data Tranche review National Grid NTS (CL/PG) will provide updated spreadsheets, together with an associated draft data dictionary.

Update: Updated spreadsheets and data dictionaries for Demand and Supply had been published on the Joint Office website; the data dictionary for Capacity was being developed. Documents will be made available at least 5 Business Days before the next meeting. **Action carried forward.**

Action RG140/16: JO to include consideration of the BGT points on a future Review Group agenda, giving all interested parties an opportunity to consider the issues raised and develop a proposed way forward.

Update: Included on agenda (see item 5, below). **Action agreed closed.**

Action RG140/17: National Grid NTS (CL) to consider whether and how NTS should publish zonal and nodal maxima in future, and the wider impact of trades and transfers on data publication.

Update: This was under industry debate and would probably not be resolved prior to the submission of the report to Panel. **Action agreed closed.**

Action RG140/18: National Grid NTS (CL) to ascertain whether all NORD23 data items are derivable.

Update: IB reported that maximum and minimum average will be available. **Action agreed closed**

Action RG140/19: National Grid NTS (CL) to consider whether the data behind the capacity sold graphs presented to the Operational Forum could be published on a daily basis during the forthcoming winter.

Update: CL advised that National Grid NTS was looking at how capacity data can be better presented. **Action carried forward.**

Action RG140/20: National Grid NTS (CL) to redraft the example data dictionary sheet in light of issues raised.

Update: CL gave his apologies; this had been produced but unfortunately was not available to be on view 5 days in advance of the meeting. It was acknowledged that the Shippers had received insufficient time to review this satisfactorily. See item 6.1 below. **Action agreed closed**

2. Review of Data Tranche 4

Taking the principles agreed at the previous meeting into account, the data items on the spreadsheets provided by National Grid NTS were reviewed.

2.1. Linepack

CL introduced the spreadsheet information; it was recognised that this was important information for the market, and no changes were proposed to either Forecasts or Actuals.

SL requested that “actual linepack updated hourly” be made available; there was some recollection that this used to be published in the past and that its withdrawal from the website might have reflected the introduction of Transco’s balancing incentives.

RM observed that there was an industry debate on SO incentives taking place currently, and it was thought that a drive for change should emanate from this first, rather than from Review Group 0140. JB pointed out that views could be submitted in responses to the SO Incentives consultation, which is ongoing, or that publication of additional data, of this nature, could be achieved through an approved Modification Proposal.

EP remarked that it should be justified why this information was wanted. SL said that an hourly balance gives a good idea of the system balance at that time. EP responded that National Grid NTS was responsible for balancing the system and questioned whether a Shipper would change his actions based on the hourly information. Shippers have to balance at the end of the day. They can already see if they would be out of balance and would be expected to take the necessary actions. IB commented that a Shipper would not be able to see its own individual position from the linepack information. RS observed that updates were available throughout the day on Predicted and Actual. Shippers were divided in their opinions. RM thought that he could see a need for it. CW and RS were of the view that it would not give any better information than at present, and would not lead to any change in action. EP thought that it would not help anyone. CW thought that flow data was a better guide as to what was being brought in at ASEPs. RS said that Gemini gave

the predicted closing position. OPNs, DFNs and actual flows change the predicted closing linepack. There was a view that if customers were facing a higher within day price, the community should be in a position to understand why that was happening. This, however, could be classified as an after the day audit requirement and wouldn't necessarily indicate the need for further information within day.

Action RG0140/21: National Grid NTS (CL) to consider whether the data relating to "actual linepack updated hourly" may be made available; what costs would be associated with such provision, and whether there would be any commercial sensitivity issues.

Action RG0140/22 EDF Energy (SL) to investigate what benefits there might be in the provision of hourly linepack information.

2.2. Maintenance

CL explained the two Forecasts items. National Grid NTS received information on offshore activities, and aggregated together these give an idea of offshore capability. The information is provided quarterly and is published as a spreadsheet. Although frequency of use cannot be recorded in the same way as for other reports, it is deemed to be information of importance. The Summary item was the total of the two. The Supporting items gave historical information and lists of terminals and storage sites.

These reports contained helpful information for producers and consumers, because it enables them to plan ahead and allow large I & C loads to plan any internal maintenance/downtime to coincide with National Grid NTS's planned maintenance schedule. It was questioned whether the publication of information should always be seen as a positive, as it may present more opportunities to manipulate the market. After a brief discussion it was thought that publication of the information may prevent on the day gaming, such as occurred at St Fergus a few years ago, and RS reiterated that knowing planned maintenance schedules in advance was of great assistance to customers.

EP believed that the information could be improved by the addition of more timely commentary, rather than relying solely on a quarterly update. Earlier reporting of overruns or delays to maintenance would be appreciated by customers so that they can adjust their internal maintenance arrangements to match or take account of these changes. Perhaps reports could be enhanced with this extra information. CL acknowledged this point and it was thought that NTS information could include this; however IB thought that Supply maintenance may be more of a problem. EP praised Centrica Storage's approach to early provision of this type of information, which was much appreciated by customers, and observed that Centrica Storage announced any delays or overruns well in advance.

NTS had categorised all the items as green, and this was accepted.

2.3. Miscellaneous/Other

Miscellaneous/Other (Costs)

All four items (which cut across all transporters) had been categorised as amber. CL advised that Review Group 0162: "Review of information provision to Shippers in respect of forecasting the future path of transportation charges" had recently been set up to look at the provision of information to Shippers in respect of forecasting the future path of transportation charges. It was felt that these items would fall under the remit of Review Group 0162, which would follow the same principles and format as agreed under this Review Group. This view was accepted by the group and it was agreed that these items should be reviewed by Review Group 0162.

In response to SL's question as to why all the columns on the spreadsheet were set to 'N/A', CL explained that the information, although apparently a UNC requirement, appeared not to have been published for some time, and the definitions did not appear to fit with the current incentives.

Miscellaneous/Other (Gas Trading)

CL explained that this information related to trades that take place on the system, made before the day and within day. There were no proposals to change this information, which appears to be useful.

NTS had categorised all the items as green, and this was accepted.

Miscellaneous/Other (Throughput)

NTS had categorised two items as green, and this was accepted. The third item Average Weekly System Throughput (AWST) was still under review (amber status). It was agreed that this should also be covered by Review Group 0162.

Miscellaneous/Other (Weather)

CL explained that the Composite Weather Variable (CWV) data provided a more accurate reflection of how certain factors might drive gas demand, and this appeared to be popular information. It was recognised that this was very useful data and it was agreed that all items under DA10 and NORM19 (currently at amber) be set to green.

Miscellaneous/Other (Calorific Value)

The details and value of this data item were unclear, but its categorisation was accepted as green.

Action RG0140/23: National Grid NTS (CL/IB) to clarify details of this data item (Calorific Value).

3. Update on Data Tranches 1, 2 and 3

CL reported that National Grid NTS continued to work through all the spreadsheets to reflect the discussions that had taken place to date and all were complete apart from 'Capacity'.

Action 0140/24: National Grid NTS (CL/IB) to circulate the updated information relating to Data Tranches 1,2 and 3 to all RG0140 members.

4. Potential Additional Data Items

5.1 BGT Items

Forecast of Entry Point Capability

A brief discussion took place, and CW explained that it would be useful for shippers to have this information on a daily basis reflecting actual conditions/constraints at the ASEP. RS expressed the concern that provision of this information might lead to gaming, and pointed out there was a difference between contractual and physical capacity. National Grid NTS can make physical capacity available to meet its obligations or can use buy-back to meet any shortfall between obligated and physical capacity.

CW was concerned that there was potential for a Shipper to be caught 'wrongfooted' and believed that the community should be able to see and understand the reasons why additional capacity was not made available on the day. A greater degree of

clarity on the system was needed. RS agreed with the need for clarity and surety but felt that this could lead to inappropriate behaviour.

Pressures

CW stated that the relevant Terminal Operator and National Grid NTS can see pressure information at ASEPs, but other parties cannot.

RM commented that sometimes supply pressures are well within the operating limit but are still curtailed and he wondered why. A satisfactory answer was required. However, more information could result in an unwanted behavioural effect, which EP thought may favour larger Shippers rather than the smaller Shippers.

RS strongly believed that producers would feel uncomfortable at the provision of this information. He pointed out that traders were there to maximise profit, not to help the network out; they worked to market rules and these could be distorted.

CW commented that Modification 006 was put forward by a consumer representative and was seen to be beneficial. No abuse was apparent after 006, and this could be seen to be step forward in the same direction. RS observed that at the time there was a lot of resistance from producers to commercial information being made available, and they may not be very comfortable with any further movement down this route.

CW considered that there may also be an issue relating to the incentives on National Grid NTS to run the system in a certain way. Were these incentives still appropriate? Should there be different incentives, or none?

EP thought this sounded like a call for an audit and thought that Shippers were trying to operate the system by second guessing, which was different entirely. CL confirmed that the NTS was audited independently and Ofgem was fully informed of this.

SL thought it bizarre that there was no incentive to release as much Interruption capacity as possible. He remarked that National Grid NTS is a commercial entity and could be driven by bottom line or system considerations. RS responded that capacity was fixed revenue and this made no difference to National Grid's bottom line. However he would like to see more Interruption capacity released.

CW repeated that Shippers would like more visibility on how the system is operated and run. RS argued that Shippers could get this view from older data. CW asked if releasing data a month behind would be more acceptable. A shipper could hardly amend any behaviour a month after the event. CL queried whether it was necessary for a Shipper to have a view of the system capability – if the NTS could not deliver it bought back at a price. RS thought that the real question was what was the real availability of capacity and where was it allocated, and recognised that this was very subjective. As a Shipper he felt that they do not understand how it works, but recognised that National Grid NTS had different commercial drivers to those of Shippers. As a producer he felt that there were issues surrounding the release and timing of data and the amount of visibility that might be proposed relating to commercially sensitive areas. The important question was "What is capability?" as all sorts of variables contributed to the total capability of an ASEP; the provision of more information could allow opportunities for gaming.

SL thought that releasing capability would reduce consumer prices, but it was a question of trying to get the balance right.

EP was concerned to derive an equal benefit for all Shippers, but was not certain that this could be achieved.

Following these discussions JB voiced his doubts that a consensus would be achieved on the subjects of pressure and entry capability, and therefore the group would not be in a position to produce a modification proposal.

CW reiterated that he thought it fundamental to have an understanding of the system capability, and the interaction between system operation and SO incentives, and to be able to form a sound view on whether this was aligned to the best interests of the community or to National Grid's bottom line, ie was the system operated to maximise throughput or to maximise a financial incentive. Shippers were not in a position to challenge this at present. EP considered that Ofgem should be assessing this and challenging if appropriate. RM pointed out that Ofgem had said that Shippers should become more aware of how the system operates, and this refocusing is trying to provide the information to aid and support this understanding.

RS suggested that far less resistance from producers might be encountered if retrospective data were to be released. CL was also more comfortable with this. CW asked if within day information could be produced if there were no SO incentives. CL responded that this would need to be looked at more closely, but that he could not foresee a time when no SO incentives would apply. It was highlighted that there would be major costs associated with real time on the day data provision, which would be significantly reduced if information was reported after the day.

JB concluded that as there was an evident lack of consensus within these discussions the items on BGT's list could not be recommended, and suggested that a more focused list of the information to be released after the event could be compiled and debated at the next meeting, in an effort to reach a consensus, and the production of which could form the basis for a Modification Proposal.

Action 0140/25: BGT to provide a more focused list of the information to be released after the event, the production of which could form the basis for a Modification Proposal.

5.2 TFA Information – Statoil

RS reported that internal discussions were taking place, and that he was not yet in a position to provide further information. An update would be given at the next meeting.

5. Progress Check

5.1. NCORM – Revised Data Dictionary

SL stated that he was not in a position to give any feedback due to insufficient time between the document being made publicly available and the commencement of the meeting.

It was agreed that written comments would be sent to the Joint Office by Wednesday 29 August 2007, and that National Grid NTS would provide updated documents for publication on the Joint Office website by Monday 10 September 2007.

RS requested that where there were different timescales to the current regime these should be highlighted.

Action 0140/26: Demand and Supply Data Dictionaries - All to provide written comments to the Joint Office by Wednesday 29 August 2007. National Grid NTS to provide updated documents for publication on the Joint Office website by Monday 10 September 2007.

5.2. Review Group Report

The draft Report was reviewed, discussed and debated. CL pointed out that there would be items included in the Data Dictionaries that were not currently covered by an NTS obligation; the inclusion of these items may establish an obligation. Any change would then require the consent of the UNC.

CL said that he was happy to discuss the prioritisation of items for Phase 1 of MIPI, but that this would be on an item by item basis.

The draft Report was amended as agreed, and the revised Report will be discussed and reviewed at the next meeting.

5.3. UNC Proposal?

To be discussed at the next meeting.

6. Any Other Business

There was no other business.

7. Diary Planning for Review Group

The next meeting has been arranged for:

Tuesday 18 September 2007 at Elexon Offices, 350 Euston Road, London NW1 3AW (the Pink Room, 10:00 – 16:00).

A further meeting has also been arranged for:

Monday 08 October 2007 at Elexon Offices, 350 Euston Road, London NW1 3AW (the Pink Room, 10:00 – 16:00).

ACTION LOG - Review Group 0140: 21 August 2007

Action Ref	Meeting Date	Minute Ref (original ref)	Action	Owner*	Status Update
RG140/02	18/05/07	2.2	National Grid NTS and DNs to consider whether both types of demand can be on the system, and establish/confirm that the DNs would be in acceptance of such. RG to ascertain data owned by DNs and confirm that inclusion on a single website would be acceptable.	National Grid NTS (PG) and DNs (RG)	See item 2.2 Action on hold.
RG140/09	19/06/07	4	Consider provision of LDZ offtake data and Supply Point demand data broken down into three categories.	National Grid NTS (CL/PG)	National Grid considering, including technical feasibility. Action carried forward.
RG140/10	19/06/07	4.1	Make proposals at the next meeting on how actual flexibility capacity utilisation could be most usefully reported.	National Grid NTS (CL/PG)	In light of Appeal outcome. Action Closed
RG140/12	19/06/07	4.4	Check internally on the perceived usefulness of the availability of an annual figure of interrupted capacity in each DN on 01 October each year.	EDF Energy (SL)	EDF to take forward separately. Action Closed
RG140/14	19/06/07	4	Following each Data Tranche review provide updated spreadsheets, together with an associated draft data dictionary.	National Grid NTS (CL/PG)	See item 2.2 Action carried forward.
RG140/16	09/07/07	3	JO to include consideration of the BGT points on a future Review Group agenda, giving all interested parties an opportunity to consider the issues raised and develop a proposed way forward.	JO (JB)	Included on agenda at item 5. Action closed
RG140/17	27/07/07	3.1	National Grid NTS to consider whether and how NTS should publish zonal and nodal maxima in future, and the wider impact of trades and transfers on data publication.	National Grid NTS (CL)	Under industry debate. Unlikely to be concluded prior to conclusion of Review Group. Action closed
RG140/18	27/07/07	3.1	National Grid NTS to ascertain whether all NORMD23 data items are derivable.	National Grid NTS (CL)	Update that maximum, minimum and average will be available. Action closed

Action Ref	Meeting Date	Minute Ref (original ref)	Action	Owner*	Status Update
RG140/19	27/07/07	3.2	National Grid NTS to consider whether the data behind the capacity sold graphs presented to the Ops Forum could be published on a daily basis during the forthcoming winter.	National Grid NTS (CL)	Under consideration. Action carried forward
RG140/20	27/07/07	4	National Grid NTS (CL) to redraft the example data dictionary sheet in light of issues raised.	National Grid NTS (CL)	Dictionary updated Action closed
RG140/21	21/08/07	3.1	National Grid NTS (CL) to consider whether the data relating to "actual linepack updated hourly" may be made available; investigate what costs would be associated with such provision, and whether there would be any commercial sensitivity issues.	National Grid NTS (CL)	
RG140/21	21/08/07	3.1	EDF Energy (SL) to investigate what benefits there might be in the provision of hourly linepack information;	EDF Energy (SL)	
RG140/23	21/08/07	3.3	National Grid NTS (CL/IB) to clarify details of this data item (Calorific Value).	National Grid NTS (CL/IB)	
RG140/24	21/08/07	4	National Grid NTS (CL/IB) to circulate the updated information relating to Data Tranches 1, 2 and 3 to all RG0140 members.	BGT (CW)	
RG140/25	21/08/07	5.1	BGT to provide a more focused list of the information to be released after the event, the production of which could form the basis for a Modification Proposal.	BGT (CW)	
RG140/26	21/08/07	6.1	Demand and Supply Data Dictionaries a) All to provide written comments to the Joint Office by Wednesday 29 August 2007. b) National Grid NTS to provide updated documents for publication on the Joint Office website by Monday 10 September 2007.	ALL National Grid NTS (CL)	29 August 2007 10 September 2007

Action Owners: CW – Chris Wright, PG – Paul Gallagher, RG – Roger Golding, CL – Chris Logue, JB – John Bradley, SL – Stefan Leedham, CR – Claire Rozyn, IB – Ian Barnes.