

UNC Workgroup 0401 Minutes
Amendments to the provisions for agreeing pressures at the
Offtakes from the National Transmission System to
Distribution Networks

Tuesday 18 October 2011
at 31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Alison Chamberlain	(AC)	National Grid Distribution
Bethan Winter	(BW)	Wales & West Utilities
Dave Adlam	(DA)	National Grid Distribution
Dave Corby	(DC)	National Grid NTS
Helga Clarke	(HC)	National Grid NTS
Jeanette Gregory	(JG)	National Grid Distribution
Keith Dixon	(KD)	Northern Gas Networks
Mark Amos	(MA)	National Grid NTS
Mark Lyndon	(ML)	National Grid NTS
Mike Wassell	(MW)	National Grid NTS
Phil Hobbins	(PH)	National Grid NTS
Rob Cameron-Higgs	(RCH)	Wales & West Utilities

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0401/181011>

1.0 Introduction

BF introduced the Workgroup.

2.0 Outline of Modification and initial discussion

JG introduced the modification, explaining the background and intent.

BF highlighted that National Grid NTS have provided an initial representation for the workgroup to consider. MW explained the initial representation and that NTS believed the modification should not have been deemed a self-governance modification as it may have impacts on parties other than Transporters. BF explained the appeal process and Ofgem determination date for the self-governance criterion.

MW believed some elements of the modification need to be clarified further for example having consequences if an agreement has not been met by National Grid NTS and relieving the UNC provisions.

WM explained that under certain circumstances if NTS are not able to deliver the pressure agreement then the UNC provisions could be relieved. BW explained if NTS were unable to deliver the agreed pressure the DN would need to reconfigure the Network.

AC suggested that the Workgroup may wish to consider why it is more efficient for a DN to reconfigure compared to National Grid NTS having to reconfigure.

MW believed the modification adds an extra element. DA explained there is a consequence for NTS not delivering pressure and DNs are faced with overrun cost for not meeting pressures. DNs are looking for a route to avoid the costs of an overrun for not meeting pressure, which has been caused by National Grid NTS not delivering on a pressure agreement. He acknowledged flow-swapping helps but this does not always allow compliance. Some offtakes do not allow flow swaps and this impacts the following days position. National Grid Distribution were keen to find a solution that does not penalise DNs for non compliance when the route cause of the non-compliance was not in their control.

MW believed there could be an alternative solution to overturning over-run costs through Gemini as long as it's captured before it is invoiced. MW suggested it would be beneficial to understand the estimated cost for this solution. It was anticipated that the DN would have to demonstrate the impact as an audit trail to overturn the over-run charge.

National Grid Distribution considered the comments made in the National Grid NTS initial representation and the suggestions on amending the modification.

DA suggested if National Grid NTS are not able to deliver the pressure agreement then NTS could undertake the flow swaps rather than asking DNs to do so. DA highlighted that the flow swaps are requested by NTS as they are not able to deliver on a pressure agreement - this is out of the DNs control, he questioned if a DN should be responsible for initiating flow swaps in this scenario.

MW highlighted that the significant and non-significant element of the modification may not be inline with the provided legal text. The legal text suggests no approval is required but the modification suggests there would be an agreement.

It was envisaged that the modification would be amended to consider flow swaps and over-run charges and that the modification could be implemented at any point.

3.0 Consider Terms of Reference

No further comments were received on the Terms of Reference.

4.0 Any Other Business

None raised.

5.0 Diary Planning for Review Group

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

The next meeting of the Workgroup will take place within the business proceedings of the Offtake Arrangement Workgroup, on 29 November 2011, 31 Homer Road, Solihull, B91 3LT.