

**UNC Workgroup 0470 Minutes
Notification of Minimal Safety operating gas needs of large
customers**

Tuesday 10 December 2013

Consort House, 6 Homer Road, Solihull, B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Alex Ross-Shaw*	(ARS)	Northern Gas Networks
Alison Chamberlain	(AC)	National Grid Distribution
Andrew Margan	(AM)	British Gas
Anne Jackson*	(AJ)	SSE
Beverley Viney	(BV)	National Grid NTS
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
Erika Melén	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waterswye
Hilary Chapman	(HCh)	Xoserve
Kirsten Elliot-Smith	(KES)	Cornwall Energy
Lesley Ferrando*	(LF)	Ofgem
Lorna Lewin	(LL)	DONG Energy
Mark Jones*	(MJ)	SSE
Rob Cameron-Higgs*	(RCH)	First Utility
Rob Johnson	(RJ)	Wingas
Sasha Pearce	(SP)	RWE npower

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0470/081113

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 March 2014.

1.0 Review of Minutes and Actions

1.1. Minutes

Minutes accepted.

1.2. Actions

1101: Shippers to provide a view on the likely number of applications they anticipate submitting to the relevant Transporter(s).

Update: RJ explained there would be a number of sites for Wingas though he had no specific number at this time. **Carried Forward**

1102: Xoserve (DA) and the Transporters (EM/AR) to investigate the potential impacts and provide a view on high level costs and user pays impacts.

Update: EM didn't envisage any User Pays costs but anticipated some implementation costs that would need to be absorbed by the Transporters. It was difficult to indicate the

likely costs associated without first understanding the scale of likely demand. The Workgroup discussed the use of alternative fuels and the impact on costs to the whole industry, for sites that wish to avoid putting contingencies in place to secure their business. It was agreed to close the action and consider later in the assessment process.

Closed

2.0 Discussion

The Workgroup considered the benefits of the modification and adhering to the contract obligations to shut down for system safety and what the expectations are for a total system shut down during a gas emergency.

GE explained the modification is proposed to enable a transparent and open process of communication to ascertain the best route for addressing system constraints.

AC expressed some concern how transporters would manage applications and how to consider the commercial impacts. Some concern was expressed about the industry subsidising commercial risks for parties who do not wish to take mitigating actions.

GE provided some scenarios Shippers are likely to come across where customers who have never been interrupted and compared the analogy of sourcing an alternative supply for electricity. The Workgroup considered the business criticality of the user and the commercial decision not to source an alternative energy supply.

Some parties felt that all businesses need to consider its risks and how it would manage an interruption to its supply. Some Workgroup members saw the process for mitigating user's commercial risk and were concerned about the impact to other users on the system.

The Workgroup discussed the required shutdown time believed to be four hours and the reality that some customer may need 24 hours and whether the industry could/should support this.

AJ was concerned about the message this change could portray and that in some circumstances sites will need to shut down safely within four hours and there may be circumstances where an alternative option cannot be offered and this should be clarified in the modification to differentiate. AJ also expressed some concern about the ability for the industry to manage such a regime particularly with difficulties experienced in the past with the provision of emergency contact details. It was recognised that improvements in general needed to be made around the accuracy of emergency contact details.

There was a general perception from the Transporters that this would be a very difficult process to manage. Concern was expressed about the complication of a regime, the ability to rank users and the ability to manage an influx of requests whilst also managing an emergency shutdown. Transporters needed a clear indication of the likely demand to assess the proposal further.

Some concern was expressed about solving a problem via the UNC, which may not be manageable.

The Transporters agreed to consider how the process could be managed and provide a view at the next meeting and whether there was an alternative route.

The Workgroup briefly considered whether the service ought to be a chargeable service and this ought to be captured within the Modification.

Action 1201: Modification to be updated for further clarification.

Action 1202: Transporter to seek a view from their operational colleagues on the plausibility of managing the process and provide any alternative approaches.

Action 1203: Scenario diagrams to be provided for the Workgroup Report

3.0 Any Other Business

None.

4.0 Diary Planning for Review Group

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

The next meeting will take place within the Distribution Workgroup on:

Thursday 23 January 2014, at 10:30 at Consort House, 6 Homer Road, Solihull B91 3QQ

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	08/11/13	2.0	To provide a view on the likely number of applications they anticipate submitting to the relevant Transporter(s).	Shippers	Carried Forward
1102	08/11/13	2.0	To investigate the potential impacts and provide a view on high level costs and user pays impacts.	Xoserve (DA) & Trans' (EM/AR)	Closed
1201	10/12/13	2.0	Modification to be updated for further clarification.	Wingas	Pending
1202	10/12/13	2.0	Transporter to seek a view from their operational colleagues on the plausibility of managing the process and provide any alternative approaches.	Transporters	Pending
1203	10/12/13	2.0	Scenario diagrams to be provided for the Workgroup Report	Waterswye (GE)	Pending