

UNC Workgroup 0510 Minutes Reform of Gas Allocation Regime at GB Interconnection Points

Thursday 04 June 2015

Energy Networks Association, 52 Horseferry Road, London SW1P 2AF

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Anna Shrigley	(AS)	Eni
Charles Ruffell	(CR)	RWEST
Colin Williams	(CW)	National Grid NTS
David Reilly	(DR)	Ofgem
Fergus Healy	(FH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Jeff Chandler	(JCh)	SSE
Julie Cox	(JCx)	Energy UK
Laura Butterfield	(LB)	National Grid NTS
Paul Brennan	(PBr)	Waters Wye Associates
Phil Broom	(PB)	GDF Suez
Phil Hobbins	(PH)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK

**via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0510/040615>

The Supplemental Report is due to be presented at the UNC Modification Panel by 16 July 2015.

1.0 Introduction

LJ explained that at its May meeting, the Panel had considered the representations made in the recent consultation and had determined that new issues had been raised in relation to close out dates and proportional allocation. Modification 0510 has therefore been returned to the Workgroup for further assessment, with a report to be presented to the July Panel.

The main focus of this meeting will be to consider and assess the new issues identified and to agree recommendations.

2.0 Consideration and assessment of new issues identified in Consultation representations

PH outlined the two new issues identified in the Consultation response provided by BBL and these were then discussed and assessed by the Workgroup.

BBL supported the OBA allocation principles but had concerns related to the close out dates presented and the differences regarding the alignment between the hourly allocation regime of BBL Company and the daily allocation regime of National Grid.

Close out dates

In its representation BBL believed the close out dates should be split in close out dates per flow direction, i.e. that for the NTS Entry flows the close out date should be M+15 and

for the NTS Exit flows the close out date should be D+5. BBL would then have until M+15 to get its allocation statement to National Grid NTS on a proportional day instead of D+5.

PH advised that National Grid NTS had given consideration to this point but had concluded that it was not minded to change the current text.

Proportional allocation

In its representation BBL stated its belief that the proposed method of proportional allocation retrospectively would not work for the BBL IP. BBL operates an hourly allocation regime and National Grid applies a daily regime. This means that BBL is unable to make retrospective adjustments unless the decision is taken within the actual day. PH gave some examples of events occurring at different times and the effects on TSO actions and allocation.

The text as drafted does not accommodate the alignment of hourly and daily regimes, and a resolution needed to be developed in the next couple of weeks. PH confirmed that BBL and National Grid NTS were discussing the position and were trying to address within the OBA text, which would then amend the 0510 text.

PH affirmed that BBL had no plans to move away from hourly balancing. JCx questioned this stance, believing it to be potentially at odds with the Balancing Code. PH indicated he would raise this in the next TSO discussions. GJ questioned where would it leave Shippers if an event/issue occurs early in the day - was there less certainty of allocation? National Grid NTS would address the constraint as it would usually. If it occurs at the end of a day then Shippers may not have time to renominate. GJ suggested that where the problem originates might have different impacts. Shippers need to be provided with sufficient information to manage their flows and what their expected allocation might be.

AS drew attention to IUK's arrangements, which may be the same as BBL's, and gave examples of how IUK managed events. Noting this, PH indicated that IUK had not raised any issues, though BBL had. JCX believed IUK had a buffer within the pipe and operated slightly differently.

It was suggested that PH consider providing illustrations for the next meeting.

3.0 Supplemental Report

3.1 Workgroup recommendations

Noting that it is likely that a further consultation will be required, the Workgroup will consider what recommendations should be made at its next meeting.

4.0 Next Steps

National Grid NTS will continue discussions with BBL to reach an acceptable position.

National Grid NTS will prepare and provide revised legal text, if appropriate.

A further Workgroup meeting will be necessary to review the amended legal text and to agree and finalise the Workgroup's recommendations.

The intention will then be to submit the Supplemental Report including the Workgroup's assessment, conclusions and recommendations to the July UNC Modification Panel.

5.0 Diary Planning

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

The next Workgroup meeting will take place on Monday 29 June 2015, at Energy UK, Charles House, 9 - 11 Regent Street, London SW1Y 4LR and will follow the Combined Workgroup 0498/0502 meeting. (In the event that Combined Workgroup 0498/0502 concludes before this date, then Workgroup 0510 will commence at 10:00). Details will be confirmed nearer the date.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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