
Extraordinary
Transmission Workstream Minutes
Thursday 11 August 2005
10 Old Bailey, London

Attendees

John Bradley (Chair)	(JB)	Joint Office of Gas Transporters
Dennis Rachwal (Secretary)	(DR)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid Gas Distribution
Christiane Sykes	(CS)	E.ON. UK
David Cox	(DC)	Ofgem
Eddie Blackburn	(EB)	National Grid Gas Transmission
Garth Graham	(GG)	Scottish & Southern Electric
Helen Bray	(HB)	Chemical Industries Association
John Costa	(JCos)	EdF Energy
Joy Chadwick	(JCh)	ExxonMobil
Julie Cox	(JCox)	AEP
Liz Spierling	(LS)	Wales and West Utilities
Mark Freeman	(MFr)	National Grid Gas Distribution
Mick Curtis	(MC)	E=mc ²
Mike Young	(MY)	BGT
Nick Wye	(NW)	WatersWye Associates
Nigel Sisman	(NS)	National Grid Gas Transmission
Paul Roberts	(PR)	National Grid Gas Transmission
Richard Court	(RC)	National Grid Gas Transmission
Ritchard Hewitt	(RH)	National Grid Gas Transmission
Simon Bradbury	(SB)	Ofgem
Shelley Jones	(SJ)	Statoil UK
Yasmin Sufi	(YS)	ENI UK

1. Purpose of Meeting

Further to the indication at Transmission Workstream on 4 August 2005, this meeting was formally notified on 8-Aug-05 to address what has now been formalised as:-

- Emergency Cashout Arrangements – discussion of Modification Proposals 042 and 044
- Revised Transco NTS Incremental Entry Capacity Statement – discussion of Modification Proposal 043

2. Emergency Cashout Arrangements

At the Transmission Workstream on 4 August 2005 E.ON UK tabled a draft Modification Proposal and Transco NTS gave a presentation in response to Ofgem's rejection of Mod 021.

On 10 August 2005, Modification Proposals 042 and 044 were granted Urgent status by Ofgem and circulated/published. Close out for representations is 22 August 2005.

2.1. Transco NTS Modification Proposal 044 "Revised Emergency Cash-out & Curtailment Arrangements"

Transco NTS (RH) gave a presentation. In response to discussion the following actions were agreed:-

Action Joint Office to circulate presentation slides and notes 12 August 2005

Action Transco NTS (RH) to produce an explanatory note on the following aspects of the Emergency Curtailment Quantity (ECQ) and Arrangements

- P70 and P70 Firm processes, obligations, exposures and envisaged shipper and customer actions
- Treatment of interruption lead time in ECQ methodology
- A view on the requirements of an ECQ methodology for use by distribution transporters.

Action Joint Office to facilitate e-mailed questions and answers to and from the Proposer as follows:-

- Industry questions to be submitted to enquiries@gasgovernance.com (copied to Ritchard.Hewitt@uk.ngrid.com) by 17.00 15 August 2005
- Proposer's answers to be submitted to enquiries@gasgovernance.com by 17.00 17 August 2005
- Joint Office will despatch the Proposer's answers by e-mail by 09.00 18 August 2005

2.2. EON UK Modification Proposal 042 "Revision of Emergency Cash-out price"

E.ON UK (CS) presented its view on their Mod Proposal in the context of the above. The Workstream believed that no further clarification was required on this Proposal and only brief comments were made.

3. Transco NTS Revised Incremental Entry Capacity Release Statement

At the Panel teleconference on 8 August 2005 (Urgent) Final Modification Reports 036 and 037 were discussed. Modification Proposal 036 was sent to Ofgem for decision with no recommendation from Panel. Transco NTS expressed the intention of refining the provisions of Modification Proposal 037 in response to industry representations. Procedurally this was achieved by formally withdrawing Modification Proposal 037 and

raising Urgent Modification Proposal 043. The wording of this Proposal shows the revisions from Modification Proposal 037.

On 10 August 2005, Modification Proposal 043 was granted Urgent status by Ofgem, published and circulated.

Close out for representations is 12 August 05.

This tight deadline makes it feasible to complete the steps for an Ofgem determine before QSEC auctions that must be triggered no later than 19 August 2005 (unless Ofgem direct implementation of Mod 030 which would permit delayed trigger of the QSEC auctions).

3.1. Transco NTS Mod 043 “Limitation on offering for sale unsold capacity”

Transco NTS (PR) gave a short presentation including:-

- a high level summary of the differences in Modification Proposal 043 put forward in response to industry representations on Modification Proposal 037, and
- an example illustrating how (if the exceptional circumstances envisaged Modification Proposal 043 occurred) the unsold QSEC capacity might be revised by implementation.

In discussion, the Workstream recognised the interactions between UNC, Licence obligations on Transco NTS and Price Control, and that Modification Proposal 043 only applied to auctions initiated within the present Price Control period. Ofgem (SB) indicated it would consider using the process of Modification Proposal 043 as a “last ditch” remedy to a situation impacting on Transco NTS and the community, and the issues surrounding this should be addressed for the next Price Control period.

4. Diary Planning

Key dates for Modification Proposals 042, 043 and 044 are as follows (subject to any changes which may become known to the Joint Office after 10:30 12 August 2005).

17.00 12 August 2005 Close out for Representations on Modification Proposal 043

17.00 15 August 2005 Close out for questions on Modification Proposal 044

18.00 15 August 2005 Dispatch of Final Modification Report on Modification Proposal 043

13.00 17 August 2005 Panel consider and recommendation on Modification Proposal 043

09.00 18 August 2005 Dispatch of answers on Modification Proposal 044

17.00 19 August 2005 Dispatch of invitation to QSEC auction incorporating Modification Proposal 043 if implemented and if applicable.

17.00 22 August 2005 Close out of Representations on Modification Proposals 042 and 044

02 September 2005 Panel consider and make recommendation for Modification Proposals 042 and 044

Transmission Workstream

Date: Thursday 8th September 2005 (Please note correction from minutes of 4-Aug-05)

Start Time: 10:00 am

Venue: 10 Old Bailey