

Transmission Workstream Minutes

Thursday 04 October 2007

Elexon, 350 Euston Road, London NW1 3AW

Attendees

John Bradley (Chairman)	JB	Joint Office
Lorna Dupont	LD	Joint Office
Alan Raper	AR	National Grid Distribution
Alex Barnes	AB	BG Storage
Christiane Sykes	CS	Statoil
Craig Purdie	CP	Centrica Storage
Graeme Thorne	GT	Canatxx Shipping
Jeff Chandler	JC	Scottish and Southern Energy
Joy Chadwick	JC1	ExxonMobil
Karen Healy	KH	xoserve
Leigh Bolton	LB	Cornwall Consulting
Martin Watson	MW	National Grid NTS
Matthew Hatch	MH	National Grid NTS
Mike Young	MY	BGT Centrica
Peter Bolitho	PB	EON UK
Phil Broom	PB1	Gaz de France
Rekha Patel	RP	Waters Wye
Richard Fairholme	RF	E.ON UK
Ritchard Hewitt	RH	National Grid NTS
Roddy Monroe	RM	Centrica Storage
Stefan Leedham	SL	EDF Energy
Steve Fisher	SF	National Grid NTS
Steven Sherwood	SS	Scotia Gas Networks
Tim Davis	TD	Joint Office
Apologies		
Chris Wright	CW	BGT
Liz Spierling	LS	Wales & West Utilities
Mark Freeman	MF	National Grid Distribution
Simon Trivella	ST	Wales and West Utilities
Kirsten Elliott-Smith	KES	ConocoPhillips

1. Introduction and Status Review

JB welcomed all attendees to the meeting.

1.1 Minutes from previous Workstream Meetings

The minutes for the meetings held on 06 and 12 September 2007 were accepted.

1.2 Review of Outstanding Actions

Appendix A provides a tabular summary.

Action TR1068: Return to the Workstream to present a detailed overview of the interaction of the capacity regimes and the operation of the gas market. (Ofgem)

Update: Ofgem not present at this meeting. **Action carried forward.**

Action TR1071: Safety Monitors - production of outline proposal, subsequent to closure of the focus group: CW to follow up with MY.

Update: Following recent publication of the Storage Monitor requirements this was no longer deemed to be of such high priority. **Action agreed closed.**

Action TR1073: National Grid NTS to consider the provision of historical Buy Back/TFA information relating to the past 4 – 5 winters (excluding Gas Quality).

Update: MW reported that there had been 3 incidents, all TFAs and were temporary in nature (pressure related). The end of day quantity was achieved and no buy back actions were taken. **Action agreed closed.**

Action TR1077: MW to check any implications for users on increased physical security and report back on level of costs if any.

Update: MW observed that this was a sensitive area. National Grid NTS has an 'allowance' recoverable through pass through items; costs were agreed with the government and Ofgem and recovered through normal mechanisms. **Action agreed closed.**

1.3 Review of Workstream's Modification Proposals and Topics

1.3.1 Modification Status Report (Modification Proposals Register¹)

The following Proposals had been implemented:

- 0097A "Modification to release aggregated ex-post information for pipeline interconnector offtake flows" – implemented 01 October 2007.
- 0104 "3rd Party Proposal: Storage Information at LNG Importation Facilities" – implemented 01 October 2007.
- 0143 "Reduction of Lapse Periods in respect of Failure Notices issued in respect of Energy Balancing Credit". (Post meeting note: implemented 05 October 2007).
- 0153 "Amendment of Interconnector UK's Network Entry Provisions" - implemented 01 September 2007.
- 0154 "Enduring Provisions for LDZ System Entry Points" – implemented 01 October 2007.
- 0159 "National Grid NTS discretionary release of Interruptible NTS Entry Capacity" – implemented 01 September 2007.
- 0169 "Transfer and Trading of Capacity between ASEPs" – implemented 07 September 2007.

The following Proposals had been rejected:

¹ <http://www.gasgovernance.com/Code/Modifications/>

- 0156 and 0156A “Transfer and Trading of Capacity between ASEPs” – rejected 06 September 2007.
- 0169A “Transfer and Trading of Capacity between ASEPs” – rejected 06 September 2007.

The following Proposals had been withdrawn:

- 0164 “Bi-Directional Connection Point Overrun Charge Calculation” – withdrawn on 14 September 2007.
- 0170 “User Admission Requirements for Applicant Shippers Who Solely Wish to Participate in Long Term Entry Capacity Auctions” – withdrawn 10 September 2007.

Ofgem’s decision was awaited on the following Proposals:

- 0149 “Gas Emergency Cashout Arrangements: Keeping On the Day Commodity Market open during a Gas Deficit Emergency”. UNC Modification Panel did not recommend implementation.
- 0149A “Gas Emergency Cashout Arrangements: Keeping On the Day Commodity Market open during a Gas Deficit Emergency”. UNC Modification Panel recommended implementation.

The following Proposals had been issued for consultation:

- 0174 “Revised Tender Timescale for DN Interruption Arrangements” – consultation closes on 12 October 2007.

The UNC Modification Panel had requested that, prior to being issued for consultation, legal text be prepared for the following Proposal:

- 0165 “Change to Measurement Provisions Change Process”. A variation proposal has since been produced and the nature of the change(s) will be discussed at the next Modification Panel meeting on 18 October 2007.

PB asked whether National Grid NTS would publish any ‘hit’ rates in respect of the ‘information’ Modification Proposals. It was understood that the functionality to do so was present and the MIPI Team would be looking at providing counts.

1.3.2 Topic Status Report

003TR Review of Exit Capacity Arrangements

0166 “Review of necessary reform of NTS Offtake Arrangements”. Minutes from the meetings which took place on 06 and 20 September 2007 were available on the Joint Office website. The next meetings were scheduled for 04 and 18 October 2007 at Elexon Offices, 350 Euston Road, London NW1 3AW.

008TR Entry Capacity

The baseline reconsultation process was continuing, with papers available on the Joint Office and Ofgem’s website:

([Transmission Price Control - Gas Entry Baseline Re-Consultation](#)).

MW confirmed that Ofgem intended to finalise the baselines by 01 April 2008. After the information from Ofgem's second consultation was published in November/December 2007 there would be a better understanding of where the baselines were pitched. Ofgem is also considering arranging a workshop in January 2008. National Grid NTS will issue a document in the near future explaining the detail behind the Methodology Statement.

018TR Information Transparency.

0140: "Review of Information Provision on National Grids Information Exchange." Minutes from the meetings were available on the Joint Office website. The meeting scheduled for 18 September was postponed. The next meeting is scheduled for 08 October 2007 at Elexon Offices, 350 Euston Road, London NW1 3AW.

019TR Emergency Market Arrangements

See 1.3.1 above.

014TR Operating Margins Procurement

Status: Remained On Hold.

015TR Constraint Management

Status: Remained On Hold

016TR Storage Commodity Charge

Status: Remained On Hold.

020TR Gas Quality

MW reported that Ofgem personnel who were previously working on this topic no longer appeared to be involved, and MW was trying to establish who at Ofgem was tasked with taking this forward. There had been no communications following the close-out of the consultation in August.

Status: Remained On Hold.

2. Any Other Business

Modification 0125: Introduction of new balancing neutrality charge for cost of residual balancer collateral on the OCM

This Modification had been implemented earlier this year and RH advised that National Grid NTS' intention was to publish the required information as part of the PG Report/Statement rather than in the SMPS. RH would provide a statement to be posted on the Joint Office website.

3. Diary Planning

The next Transmission Workstream meeting has been arranged for 10:00hrs on Thursday 01 November 2007 at Elexon, 350 Euston Road, London NW1 3AW.

Appendix A: Action Log – UNC Transmission 04 October 2007

Acti on Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TR 1068	07/06/07	2.2	Return to the Workstream to present a detailed overview of the interaction of the capacity regimes and the operation of the gas market.	Ofgem (Paul O' Donovan)	Being addressed as part of the entry capacity baselines reconsultation process. Carried Forward
TR 1071	05/07/07	1.2	Safety Monitors - production of outline proposal, subsequent to closure of the focus group.	BGT (Mike Young)	Action agreed closed.
TR 1073	05/07/07	2.1	Revised action: Recent instances of TFAs without associated buy-backs – MW to consider.	National Grid NTS (Martin Watson)	Action agreed closed.
TR 1077	02/08/07	6.2	Increased security at Entry Terminals: MW to check facts and report back on level of costs if any.	National Grid NTS (Martin Watson)	Action agreed closed.