

**Meeting of the Transmission Workstream  
Transmission Planning Code Workshop 3  
Minutes**

**Thursday 05 June 2008**

**Elxon, 350 Euston Road, London NW1 3AW**

**Attendees**

John Bradley (Chairman)	JB	Joint Office
Lorna Dupont	LD	Joint Office
Bogdan Kowalewicz	BK	Ofgem
Chandima Dutton	CD	National Grid NTS
Christiane Sykes	CS	Statoil (UK)
Emma Luckhurst	EL	EDF Energy
Graham Jack	GJ	British Gas Trading
John Costa	JC1	EDF Energy
Julie Cox	JC2	AEP
Liz Spierling	LS	Wales and West Utilities
Peter Dickinson	PD	Ofgem
Phil Broom	PB	Gaz de France
Rekha Patel	RP	Waters Wye Associates
Richard Fairholme	RF	E.ON UK
Russell Cooper	RC	National Grid NTS
Shelley Rouse	SR	Statoil UK
<b>Apologies</b>		
Andrew Hayes	AH	Wales and West Utilities
Tim Davis	TD	Joint Office of Gas Transporters
David Turner	DT	Gassco
Chris Wright	CW	Centrica

**1. Introduction**

JB welcomed the attendees to the meeting.

**1.1 Minutes of the previous meeting (01 May 2008)**

The minutes of the previous meeting were approved.

**1.2 Review of Actions**

**Action TPC001:** Supply Section - Include appropriate sections of the Safety Case within document.

**Update:** In hand. **Action carried forward.**

**Action TPC002:** Supply Section – Amend as appropriate to make clear which part of National Grid is responsible and to reflect the use of the UNC definitions of National Grid within document.

**Update:** Completed - see draft document. **Action closed.**

**Action TPC003:** Supply Section – Revisit sub section 4.4 to see if more flexibility could be incorporated.

**Update:** In hand. **Action carried forward.**

**Action TPC004:** Supply Section – Incorporate a flow chart and a decision tree within the document.

**Update:** Incorporated; included under agenda item 4. **Action closed.**

**Action TPC005:** Supply Section – Incorporate a review process within the document, and include how lessons would be learned from projects and any exceptions to the rules, etc.

**Update:** Will be covered in the consultation. **Action carried forward.**

**Action TPC006 and TPC007:** Supply and Demand Sections – Make redrafted document available for review and comment in advance of the next meeting.

**Update:** Joint document made available on the Joint Office website [www.gasgovernance.com/Code/Workstreams/TransmissionWorkstream/2008Meetings](http://www.gasgovernance.com/Code/Workstreams/TransmissionWorkstream/2008Meetings). **Action closed.**

## 2. Supply and Demand Sections - draft document for discussion

CD would welcome any further comments over the next couple of weeks as she is now working on the Consultation document.

## 3. Entry and Exit Process

CD gave a presentation outlining first the Entry and then the Exit process and described and explained the steps taken through means of flowcharts. A discussion took place.

CD confirmed that discussions were held with any new connections prior to entry into auctions, and agreed that incremental changes to existing entry points can sometimes catch you out. LNG scenarios and storage site projects were of particular interest and concern; there were some uncertainties associated with these and research and analysis continued to evolve in response. Demand side was growing at around 1.5% per annum, and power generation was increasing. Dramatic shifts in the pattern of flow were becoming more apparent, and confidence needed to be acquired in the supplies and power development that were emanating from new areas; the interactions and locations were of concern, rather than the capacity per se.

JC1 questioned how much National Grid NTS wanted to reinforce the network and how much rely on interruption. RC responded that customers switching from Interruptible to Firm would trigger a revenue driver, providing a signal to validate investment in the ground. JC2 thought this should be a direct cost and included in the Impact Assessment on exit reform.

The discussion moved on to the Exit process and CD pointed out that this was not auction driven. It was questioned whether National Grid NTS would use more pressure rather than pipe in ground to meet demand, and whether the likelihood of interruption was greater going forward. RC responded that pinch points may lead to curtailment of supplies through interruption. CD observed that it was important to have information on storage cycling so that National Grid NTS was able to analyse and plan for any difficulties that may arise. JC1 wondered about the level of transparency and operational difficulties on the day, and how these might be resolved to maintain minimum level pressure commitments.

#### 4. Flow Margin Assumptions for NTS Planning and Development

CD gave a presentation describing the flow margin assumptions used in planning network analysis for the NTS, and summarised the findings of a recent study into the application of the flow margin. A brief discussion took place.

During the discussion of “Example 5: Within Day Compressor Trip” it was suggested that the current flow margin values should be included in the TPC.

**Action TP008: “Example 5: Within Day Compressor Trip” - the measurement to be included in the TPC.**

Design and operating margins were discussed. JC1 questioned what the design margins were built to satisfy. RC confirmed that values for different types of analysis would be included in the Planning Code, in response to a question raised by BK.

CD explained the background to the recent design margin review, the main conclusion of the review being that for peak day analysis the design margin transmission component was no longer required; the study confirmed that the design margin and the operating margin were used for different purposes and therefore did not overlap. A table of the Flow Margin 2008 review recommendations was then presented together with a summary of the position.

RC voiced his concerns regarding the report’s assumptions relating to steady state and user commitment, which appeared to rely on this creating more certainty and therefore indicating no need for margins. However, prior to this report the HSE had identified risks for entry and exit and he was questioning where these identified risks had gone. The risks associated with entry could be explained he felt, but the risks that had been identified/associated with the DNs remained in situ and would affect the consumer. The user commitment model does not get rid of the risks, and it was still of concern to understand if and how these have actually been managed away. RC was not convinced that these risks had truly disappeared; these needed to be thought through with the DNs and the HSE to fully understand any potential or residual implications. JC1 asked what were the benefits of reducing the flow margin – was this just a reduction in the ‘gold plating’ of the service? RC thought it brought things closer to failure; it assumed that forecasts were not optimistic and analysis was accurate.

#### 5. Development and Implementation Timeline

CD described the development and implementation timeline. The formal consultation would take 28 days and was planned to start in mid July. The target date for implementation was 01 October 2008.

**Action TPC008: Make redrafted document available for review and comment in advance of the next meeting.**

#### 6. Any Other Business

None.

#### 7. Diary Planning

The next Transmission Planning Code Workshop (4) has been arranged for 13:00hrs on Thursday 03 July 2008 at Elexon, 350 Euston Road, London NW1 3AW. This meeting will follow the Transmission Workstream. (Details of future meetings may be found on the Joint Office website at: [www.gasgovernance.com/Diary](http://www.gasgovernance.com/Diary)).

**Action Log – Transmission Planning Code Workshop 3: 05 June 2008**

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
TPC 001	01/05/08	2.0	Supply Section - Include appropriate sections of the Safety Case within document.	National Grid NTS (CD)	In hand. <b>Carried forward.</b>
TPC 002	01/05/08	2.0	Supply Section - Amend as appropriate to make clear which part of National Grid is responsible and to reflect the use of the UNC definitions of National Grid within document.	National Grid NTS (CD)	Completed. <b>Closed.</b>
TPC 003	01/05/08	2.0	Supply Section – Revisit sub section 4.4 to see if more flexibility could be incorporated.	National Grid NTS (CD)	In hand. <b>Carried forward.</b>
TPC 004	01/05/08	2.0	Supply Section – Incorporate a flow chart and a decision tree within the document.	National Grid NTS (CD)	Completed. <b>Closed.</b>
TPC 005	01/05/08	2.0	Supply Section – Incorporate a review process within the document, and include how lessons would be learned from projects and any exceptions to the rules, etc.	National Grid NTS (CD)	Will be covered in the consultation. <b>Closed.</b>
TPC 006	01/05/08	2.0	Supply Section – Make redrafted document available for review and comment in advance of the next meeting.	National Grid NTS (CD)	Completed. <b>Closed.</b>
TPC 007	01/05/08	3.0	Demand Section – Make draft document available for review and comment in advance of the next meeting.	National Grid NTS (CD)	Completed. <b>Closed.</b>
TPC 008	05/06/08	4.0	Flow Margin Assumptions - “Example 5: Within Day Compressor Trip” - the current flow margin values to be included in the TPC.	National Grid NTS (CD)	
TPC 009	05/06/08	5.0	Make redrafted document available for review and comment in advance of the next meeting.	National Grid NTS (CD)	