

**Review Group 0166 Minutes**  
**Thursday 01 November 2007**  
**Elxon, 350 Euston Road, London NW1 3AW**

**Attendees**

John Bradley (Chair)	JB Joint Office of Gas Transporters
Lorna Dupont	LD Joint Office of Gas Transporters
Alan Raper	AR National Grid Distribution
Angela Love	AL Poyry Energy Consulting
Chris Wright	CW BGT Centrica
Christian Hill	CH Npower
Craig Purdie	CP Centrica Storage
Eddie Profitt	EP MEUC
Jeff Chandler	JC Scottish and Southern Energy
John Baldwin	JB1 CNG Services
Julie Cox	JC1 AEP
Karen Healy	KH xoserve
Lewis Hodgart	LH Ofgem
Mark Burridge	MB Centrica
Martin Watson	MW National Grid Transmission
Matthew Hatch	MH National Grid NTS
Paul O'Donovan	POD Ofgem
Peter Bolitho	PB E.ON UK
Phil Broom	PB1 Gaz de France
Rekha Patel	RP Waters Wye Associates
Richard Street	RS Statoil
Ritchard Hewitt	RH National Grid NTS
Stefan Leedham	SL EDF Energy
Stephen Rose	SR RWE Npower
Steve Fisher	SF National Grid NTS
Steven Sherwood	SS Scotia Gas Networks

**Apologies**

Avian Egan	AE Bórd Gáis
Conor Purcell	CP Electricity Supply Board
Liz Spierling	LS Wales & West Utilities

**1. Introduction and Review Group Operation**

JB welcomed all to the meeting.

**1.1 Minutes of the previous meeting**

The following comments were received and noted:

### **Section 2 Question 3 paragraph 3**

Amended to read as follows: "It was agreed that interruptible/buyback services should continue to be offered while investment was underway to support a firm connection."

### **Section 2.1 Agreement of Further Work paragraph 2**

Amended to read as follows: "..... A Proposal might be recommended by the group based on the ~~interruption services~~ buyback arrangements set out in 0116V. "

The minutes of the previous meeting were accepted.

### **1.2 Actions arising**

**Action RG0166/006:** National Grid NTS (MW) agreed to provide an outline agreement similar to an ARCA for a future meeting.

**Update:** Carried forward to a future meeting.

**Action RG166/008:** BGT (MY) and JO (JB) to draft a Modification Proposal relating to User Commitment.

**Update:** Closed.

**Action RG0166/009:** National Grid NTS (RH) agreed to investigate the occurrences of commercial and constraint management interruption in the last 5 years, including the issue of P70 forms and report back its findings to the Review Group.

**Update:** SF to send a pack to the JO for circulation. Carried forward.

**Action RG166/010:** Ofgem to consider whether the "use it or pay more" model would be acceptable and report back its views to the Group.

**Update:** POD advised that consideration should be given as to how it complies with the transmission Licence obligations. Closed.

**Action RG166/011:** BGT (MY) and JO (JB) to draft a Modification Proposal for interruption based upon 0116V.

**Update:** Closed.

**Action RG166/012:** E.ON UK (PB) to define the "use it or pay more" interruption service as a bolt-on to the main interruption proposal.

**Update:** Closed.

### **1.3 Ofgem Letter: "UNC 0116: enduring offtake – next steps following the Competition Commission's decision " issued 26 October 2007**

POD referred to the recent letter and explained Ofgem's view of its position and the next steps. Ofgem had taken legal advice and considered that it was now in the position of being required to consider the final modification report produced in relation to each of the five proposals submitted, ie all 0116 variants were under consideration.

The group was concerned that a timetable be established as soon as possible to reduce the amount of uncertainty. However this may also be dependent on whether or not a

judicial review was proposed. It was pointed out that the cost benefit analysis for 0116CVV would have to be reworked. POD advised that Ofgem would be issuing a further letter shortly regarding any further analysis that may need to be done. JB commented that an implementation date of 01 April 2008 would be challenging. RS pointed out that he had attended a meeting of the Irish parties this week and this date would also give the Irish parties significant problems (building systems, making changes, etc). Ofgem had been in contact with National Grid NTS regarding systems implications but recognised that all affected parties needed to be kept informed. PB pointed out that there was added pressure because of the "sunset clause" in the UNC.

CW observed that the references to 0116V (footnotes) were still apparent in the UNC. JB responded that removal required an instruction from Ofgem.

RS questioned the status of the representations that were made in the 0116 variants, as the views originally espoused may have altered. It was POD's understanding that an opportunity to submit views would be given, and any proposal that was originated by this Review Group 0166 and consulted upon, would be considered alongside the 0116 variants. The group thanked Ofgem for this positive support.

## **2. Bundled Firm Capacity Proposal**

A review of the draft Proposal was commenced and the text was discussed. Amendments were made to the text as the discussion progressed. It was agreed that further amendments would be required and that work would continue on this draft Proposal.

**Action RG0166/013: Section 1a) New NTS Exit Points and NTS Offtakes, paragraph 3 - Scotia Gas Networks (SS) to provide revised text.**

**Action RG0166/014: Section 1a) Incremental Exit or Offtake (Flat) Capacity, paragraph 1 - Scotia Gas Networks (SS) to provide revised text.**

**Action RG0166/015: National Grid NTS (RH) to provide detailed comments on draft proposal.**

**Action RG0166/016: New section "Bi-directional Points" – SSE (JC) to provide draft text.**

Due to time constraints further work on this draft Proposal was adjourned to a future meeting.

It was acknowledged that the Modification Proposals would not be in a ready state to be reviewed at the November Modification Panel and be approved for consultation, and that 'flexibility' should be left until the New Year. It was recognised that both Modification Proposals needed to be presented together because of contingency problems. A report on progress would be made to the Modification Panel. It was pointed out to Ofgem that these Modification Proposals were likely to carry greater industry support than was evinced for the previous 0116 Proposals.

**Action RG0166/017: All to provide any further detailed comments on draft proposals to JO as soon as possible for collation.**

### 3. Interruptible Capacity Proposals

#### 3.1 Main Proposal

Not covered in this meeting due to insufficient time.

#### 3.2 Bolt On Proposal (Use it or Pay More for it)

PB gave a presentation on “Off – peak interruptible service to complement universal firm/buy-back regime” and a short discussion took place on the imposition of penal FTI charges and reapplication for Firm capacity. PB said that this proposal was a means of relating charges to the probability of interruption, which 0116V did not, and was focused on making the best use of spare capacity on the network. It provided another mechanism for turn off (self-interrupt) before reaching the Firm load shedding phase in an emergency. It was probably only suitable for Storage Users, Interconnectors and back up supplies for power stations, ie users who could manage the high risk. There was a genuine risk associated with this; it was an off-peak service complementary to any Universal Firm regime.

SL questioned why the proposed new charge should be referred to as a Supplemental Exit Point Commodity Charge, rather than a Supplemental Exit Point Capacity Charge; this needed thinking through.

The Group agreed that the Proposal was a concept worth pursuing and PB agreed to put together a draft proposal for potential adoption by the group.

**Action RG0166/018: EON (PB) to put together a draft proposal for potential adoption by the group.**

### 4. Allocation of Tasks for Flexibility Sessions

Not covered in this meeting due to insufficient time.

JB suggested that between now and the next meetings the Group review the questions to see if they carried the appropriate focus, ready for discussion at a future session.

### 5. AOB

None raised.

### 6. Diary Planning for Review Group

#### Meeting Dates and Workplan Schedule

Date	Venue	Programme
15 November 2007	13:00, at Elexon, London	Session 6 – content to be confirmed
06 December 2007	13:00, at Elexon, London	Session 7 – content to be confirmed

**ACTION LOG - Review Group 0166**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
RG0166 006	04/10/07	2	ARCA: MW agreed to provide an outline agreement similar to an ARCA for a future meeting.	National Grid NTS (MW)	Carried forward
RG0166 008	04/10/07	2.1	BGT and JO to draft a Modification Proposal relating to User Commitment.	BGT (MY) and JO (JB2)	Closed
RG0166 009	04/10/07	3	RH agreed to investigate the occurrences of commercial and constraint management interruption in the last 5 years, including the issue of P70 forms and report back its findings to the Review Group.	National Grid NTS (RH)	SF to send a pack to the JO for circulation. Carried forward.
RG0166 010	18/10/07	2.1	Ofgem to consider whether the "use it or pay more" model would be acceptable and report back its views to the Group.	Ofgem	Closed
RG0166 011	18/10/07	2.1	BGT and JO to draft a Modification Proposal for interruption based upon 0116V.	BGT (MY) and JO (JB)	Closed
RG0166 012	18/10/07	2.1	E.ON UK to define the "use it or pay more" interruption service as a bolt-on to the main interruption proposal.	E.ON UK (PB)	Closed
RG0166 013	01/11/07	2	Section 1a) New NTS Exit Points and NTS Offtakes, paragraph 3 - Scotia Gas Networks (SS) to provide revised text.	Scotia Gas Networks (SS)	
RG0166 014	01/11/07	2	Section 1a) Incremental Exit or Offtake (Flat) Capacity, paragraph 1 - Scotia Gas Networks (SS) to provide revised text.	Scotia Gas Networks (SS)	
RG0166 015	01/11/07	2	National Grid NTS (RH) to provide detailed comments on draft proposal.	National Grid NTS (RH)	

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0166 016	01/11/07	2	New section "Bi-directional Points" – SSE (JC) to provide draft text.	SSE (JC)	
RG0166 017	01/11/07	2	All to provide any further detailed comments on draft proposals to JO as soon as possible for collation.	All	
RG0166 018	01/11/07	3.2	E.ON (PB) to put together a draft proposal for potential adoption by the group.	E.ON (PB)	