

**Review Group 0166 Minutes**  
**Thursday 15 November 2007**  
**Elexon, 350 Euston Road, London NW1 3AW**

**Attendees**

John Bradley (Chair)	JB	Joint Office of Gas Transporters
Lorna Dupont	LD	Joint Office of Gas Transporters
Andrew Pester	AP	Ofgem
Beverley Grubb	BG	Scotia Gas Networks
Chris Wright	CW	BGT Centrica
Christian Hill	CH	Npower
Christiane Sykes	CS	Statoil (UK)
Conor Purcell	CP	Electricity Supply Board
Craig Purdie	CP	Centrica Storage
Jeff Chandler	JC	Scottish and Southern Energy
John Baldwin	JB1	CNG Services
Julie Cox	JC1	AEP
Karen Healy	KH	xoserve
Leigh Bolton	LB	Cornwall Energy
Liz Spierling	LS	Wales & West Utilities
Mark Freeman	MF	National Grid Distribution
Martin Watson	MW	National Grid Transmission
Matthew Hatch	MH	National Grid NTS
Peter Bolitho	PB	E.ON UK
Ritchard Hewitt	RH	National Grid NTS
Roddy Monroe	RM	Centrica Storage
Stephen Rose	SR	RWE Npower
Steve Fisher *	SF	National Grid NTS
Steven Sherwood	SS	Scotia Gas Networks
Tim Davis	TD	Joint Office of Gas Transporters

\* by telephone

**1. Introduction**

JB welcomed members to the meeting.

**1.1 Minutes of the previous meeting**

A comment was received from Statoil (UK) and the minutes were amended to read as follows:

Section 1.3, paragraph 4

“RS questioned the status of the representations that were made in the 0116 variants, as the views originally espoused may have altered as a result of the discussion in the 166 Review Group and the CC decision.”

The minutes were approved.

## 1.2 Actions outstanding

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

**Update:** (Wording of action amended 15/11/07) MW to circulate generic ARCAs (Shipper and DN). **Action carried forward.**

**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:** The information had been circulated. PB asked if older data could be provided, which RH agreed to investigate. **Action carried forward.**

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

**Update:** Data has been provided for publication. **Action closed.**

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

**Update:** Data has been provided for publication. **Action closed.**

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

**Update:** Comments have been provided for publication. **Action closed.**

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

**Update:** Offline discussions with National Grid NTS were continuing. JC had progressed the action but not completed it. **Action carried forward.**

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

**Update:** To date only National Grid NTS had provided comments. **Action on ALL carried forward.**

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

**Update:** PB had provided a draft. **Action closed.**

## 2. Bundled Firm Capacity Proposal

The issues raised by National Grid NTS were considered.

It was agreed that the two draft Proposals developed to date should be integrated into a single Proposal. PB would also like to see EON's "bolt on" service included in this Proposal if that could be agreed by the Group. Ideally a flexibility element would also be included if time allowed. MW indicated that firm requirements would be needed by 14 January 2008 if April 2008 implementation was to be achievable at reasonable risk and cost. Given this deadline it was agreed to focus on making as much progress as possible in the time available.

It was recognised that business rules should be created but that this may be difficult in the time available, although the business rules provided during the 0116 process may provide a basis. It was agreed that a group would meet to consider the 0116 business rules and their applicability; volunteers included JC1, SR, MW, CW, and PB.

**Action RG0166/019: Business Rules Sub-group (JC1, SR, MW, CW, and PB) to consider the 0116 business rules and their applicability to the draft Proposal being developed by the Review Group.**

The benefits of an annual product were discussed. It was agreed that all capacity requests (enduring or otherwise) should follow the same process, with small quantities bundled into a single window and larger applications being made at any time. If demand exceeded supply in the constrained period, prorating should be implemented. However, the released product should not distinguish between an annual and enduring product.

It was agreed that the present liability provisions were acceptable. The DNs confirmed that they would like the 0116V provisions on flow swap to be included in the draft Proposal.

Neutrality was briefly discussed. It was confirmed that currently overrun (entry) feeds into neutrality, but it was not known if this was also the case with exit.

**Action RG0166/020: National Grid NTS (MW) agreed to establish how exit overrun charges are accounted for at present and whether they impact neutrality.**

JB summarised the group's view that an annual window was required without auctions, with prevailing rights to commence from year 3.

It was agreed that the pressure requirements specified in 0116VD should be in the Proposal, subject to any concerns which National Grid NTS may identify.

BG commented that low demand days were being considered by the Offtake Arrangements Workstream (there was an action on National Grid NTS). The inclusion of low demand demands in the Proposal will be considered by the Offtake Arrangements Workstream.

**Action RG0166/021: The inclusion of low demand demands in the Proposal will be considered by the Offtake Arrangements Workstream. Scotia Gas Networks (BG) to report on progress made.**

The status quo should apply to ramp rate requirements.

The 0116V requirement on information provision should be incorporated.

It was agreed that a daily product should be included as part of the Proposal.

The definition of Users would be specified in context as appropriate.

It was agreed that the remainder of the comments provided by National Grid NTS would be considered by the Business Rules Sub-group.

**Action RG0166/022: Business Rules Sub-group to consider the comments provided by National Grid NTS.**

### 3. Interruptible Capacity Proposals

#### 3.1 Main Proposal

The draft Proposal was considered and amendments agreed in principle. PB commented that the scope of NTS flexibility should be defined in Code, ie the rules for procurement.

The basic principles of the Methodology Statement were discussed and it was agreed that this would require more work.

It was remarked that Off Peak Interruptible service sits alongside Firm Capacity and Buyback. This was about managing investment and optimising the capacity of the network, ie how much interruptible product the NTS actually needs.

When discussing the Invitation, National Grid NTS were stated to be totally flexible on quantities so specific tranches did not need to be identified.

It was thought that the Business Rules from 0116 could be utilised when considering the short term buyback arrangements.

The section on Use it or Lose It reflected the Entry formula.

It was agreed that the Business Rules Sub-group would cover this proposal also.

**Action RG0166/023: Business Rules Sub-group (JC1, SR, MW, CW, and PB) to consider the 0116 business rules and their applicability to the draft Proposal being developed by the Review Group.**

**Action RG0166/024: JO to publish a revised Proposal reflecting the discussion.**

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

PB ran through a draft Modification Proposal, and clarified a number of points in response to questions. It was agreed that the draft should be refined to reflect the discussion.

**Action RG0166/025: E.ON (PB) to provide a revised Proposal reflecting the discussion.**

There was no consensus that this element should form part of the main Proposal. PB emphasised that this was, in his view, the only Proposal on the table which would recognise the specific circumstances of bi-directional points – storage and interconnectors – which were highly unlikely to be flowing on peak days and so would not impose capacity costs on the system. MW contended that this may look very different in future with new storage and importation facilities being developed which could change flow patterns on peak days and could include bi-directional sites offtaking on a peak demand day.

### 4. Allocation of Tasks for Flexibility Sessions

JB reported that two responses had been received to date.

### 5. AOB

None raised.

### 6. Diary Planning for Review Group

JB reiterated that the Business Rule Sub-group will meet shortly to discuss and produce an output/proposal for the next RG0166 meeting, which would take place after the December Transmission Workstream (06 December 2007).

It was also agreed that a further meeting of the main group would be required and this has therefore been scheduled for Thursday 13 December 2007, at Elexon, 350 Euston Road,

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London NW1 3AW commencing at 13:00. (Please note that this meeting will follow on from the UK Link Committee meeting that commences at 10:00.)

**Meeting Dates and Workplan Schedule**

Date	Venue	Programme
06 December 2007	13:00, at Elexon (350 Euston Road, London NW1 3AW)	Session 7 – content to be confirmed
13 December 2007	13:00, at Elexon (350 Euston Road, London NW1 3AW)	Session 8 – 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	(Wording of action amended 15/11/07) MW to circulate generic ARCAs (Shipper and DN).	National Grid NTS (MW)	Carried forward
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)	RH to provide data going back 10 years. Carried forward.
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)	Revised text provided. Closed
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)	Revised text provided. Closed
RG0166/015	01/11/07	2	National Grid NTS (RH) to provide detailed comments on draft proposal.	National Grid NTS (RH)	Comments provided. Closed
RG0166/016	01/11/07	2	New section "Bi-directional Points" – SSE (JC) to provide draft text.	SSE (JC)	Offline discussions between SF and JC continuing Carried forward
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	(Only NG NTS provided so far.) Carried forward
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)	Closed
RG0166/019	15/11/07	2	Bundled Firm Capacity Proposal: Sub-group (JC1, SR, MW, CW, and PB) to consider the 0116 business rules and their applicability to the draft Proposal being developed by the Review Group.	JC1, SR, MW, CW, and PB	

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RG0166/020	15/11/07	2	Bundled Firm Capacity Proposal: National Grid NTS (MW) agreed to establish how exit overrun charges are accounted for at present and whether they impact neutrality.	National Grid NTS (MW)	
RG0166/021	15/11/07	2	Bundled Firm Capacity Proposal: The inclusion of low demand demands in the Proposal will be considered by the Offtake Arrangements Workstream. Scotia Gas Networks (BG) to report on progress made.	Scotia Gas Networks (BG)	
RG0166/022	15/11/07	2	Bundled Firm Capacity Proposal: Business Rules Sub-group to consider the comments provided by National Grid NTS.	JC1, SR, MW, CW, and PB	
RG0166/023	15/11/07	3	Interruptible Capacity Proposal: Business Rules Sub-group (JC1, SR, MW, CW, and PB) to consider the 0116 business rules and their applicability to the draft Proposal being developed by the Review Group.	JC1, SR, MW, CW, and PB	
RG0166/024	15/11/07	3.1	Interruptible Capacity Proposal: JO to publish revised Proposal reflecting the discussion.	Joint Office (JB)	
RG0166/025	15/11/07	3.2	Bolt On Proposal: E.ON (PB) to provide revised Proposal reflecting the discussion.	E.ON (PB)	