

Development Work Group Modification Proposal 0090

Minutes

Thursday 05 October 2006

Elaxon, 350 Euston Road, London NW1 3AW

Attendees

John Bradley (Chair)	JB	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	LD	Joint Office of Gas Transporters
Anne Young	AY	National Grid Distribution
Steven Sherwood	SS	Scotia Gas Networks
Paul Smith	PS	Ofgem
Lewis Hodgart	LH	Ofgem
Stefan Leedham	SL	EDF Energy
Liz Spierling	LS	Wales and West Utilities
Mark Freeman	MF	National Grid Distribution
Robert Cameron-Higgs	RCH	Northern Gas Networks
Julie Cox	JC	Association of Electricity Producers
Phil Broom	PB	Gaz de France
Shelley Rouse	SR	Statoil
Alex Thomason (alternate)	AT	National Grid Transmission
Eddie Proffitt	EP	MEUC
Helen Bray	HB	Chemical Industries Association
Ritchard Hewitt	RH	National Grid
Martin Baker	MB	xoserve
Jeff Chandler	JCh	Scottish and Southern Electric
Richard Fairholme	RF	E.ON UK
Alan Raper	AR	National Grid Distribution
Mitch Donnelly	MD	BGT

Apologies

Steven Edwards	SE	Wales and West Utilities
Tim Davis	TD	Joint Office of Gas Transporters

1. Introduction and Status Review

As the meeting held on 27 September 2006 was not quorate, the group's approval of the minutes of both 20 and 27 September 2006 was sought.

1.1 Minutes from previous meetings (20 and 27 September 2006)

In respect of the minutes of the meeting held on 20 September 2006 the following comments were received:

Minutes reference 2.1 paragraph 18 – to be amended to read, “JC commented that the NTS asked for sites willing to be interruptible for NTS purposes in September, did this then mean that the process would be for DNs to establish DN sites that were willing to participate, for the DN to participate in the NTS tender and then for the DN to advise DN customers.”

Minutes reference 2.1 paragraph 22 – to be amended to read, “CS wondered what would happen if an Emergency Interruption was called and there were no

Interruptibles? Stage 1 effectively becomes obsolete and the focus moves immediately to Stage 3 firm load shedding.”

Minutes reference 2.2, last paragraph to be amended to specifically reference Ofgem’s Impact Assessment and thus read “Ofgem advised the Group that it would welcome any comments or feedback on its Impact Assessment that could be included before the publication of the consultation document.”

There were no comments received in relation to the minutes of the meeting held on 27 September 2006.

The minutes of both meetings were accepted.

1.2 Review of Actions from previous meeting

The majority of the outstanding actions from previous meetings were addressed within the items scheduled for discussion at this meeting, and were subsequently recommended to be closed at the end of the meeting (see Action Table Appendix 1).

As there was insufficient time at the close of the meeting to go through the actions, it was assumed that the meeting endorsed all recommendations for closure on 27 September 2006. The attached action list also summarises the discussions on each aspect.

2. Specific Topics

2.1 Review and finalise re-drafted Business Rules version 1.6

Version 1.6 of the Business Rules had been published following the previous meeting (27 September 2006). The group reviewed this version and amendments were agreed.

Following these revisions the Business Rules document was renumbered to version 1.7, 05 October 2006.

2.2 Review of Development Work Group Report

The second draft of the Development Work Group Report was reviewed and amendments were agreed. However due to time constraints this section of the meeting was curtailed before the review of the whole document could be completed.

It was therefore agreed that the partially revised document would be circulated for further comment. All comments received by the deadline would then be incorporated into a final document and this would be presented at the next meeting of the Modification Panel.

3. Any Other Business

None.

4. Next Steps

- Review and finalise re-drafted Business Rules
- Review and finalise Work Group Report

- Finalise Modification Proposal
- 19 October 2006 - Modification Panel meeting
- 26 October 2006 – Draft Modification Report to be issued for consultation
- 16 November 2006 – Representations close out
- 07 December 2006 – Final Modification Report to be issued
- 21 December 2006 – Modification Panel to make recommendation
- 30 December 2006 – Ofgem decision sought.

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
D9007	10/08/06	3.3.1	Business Rules paragraph 5.1.1 DNs to look at the advance provision of information to a potential incoming Shipper (what, when, availability, route, required response times, etc)	DNs	Closure recommended 27/09/06 Propose that information should not be provided.
D9008	10/08/06	3.3.2	Business Rules paragraph 5.2.7 DNs to review wording.	DNs	Closure recommended 27/09/06 Business Rules revised.
D9009	10/08/06	3.3.3	Business Rules paragraph 5.3.4 - DN's to provide clarity on Customer Charge ratchet and LDZ CSEP Overrun components.	DNs	Closure recommended 27/09/06 Business Rules clarified and DN's propose continuation of prevailing arrangements subject to consideration of shipper preference – action D3039
D9010	10/08/06	3.3.4	Business Rules paragraphs 5.3 and 5.4 - DN's to review the inclusion of ratchets and CSEP overruns, and consider segregating and raising as separate modification proposals.	DNs	Closure recommended 27/09/06 No separate Proposal envisaged by DN's
D9013	10/08/06	3.3.5	Business Rules paragraph 5.5.4.2 DN's to provide indicative pro forma that reflects information set out in this paragraph.	DNs	Closure recommended 27/09/06 Information requirements set out in Business Rules
D9018	16/08/06	2.1	DN's to consider the validation required at the point of application submission.	DNs	Closure recommended 27/09/06 Included in draft of the Business Rules.
D9024	16/08/06	2.3	Business Rules 4 and 5 – contradiction between sections. DN's to review and consider referencing.	DNs	Closure recommended 27/09/06 Business Rules revised.
D9028	16/08/06	3.5	Annual Application Process – Shippers and DN's to consider number of days required within Annual Application Process. Reworded to: Shippers and DN's to consider once the Application window closes how quickly a Transporter has to respond or a Shipper to resubmit.	DNs & Shippers	Closure recommended 27/09/06 Business Rules revised.
D9029	30/08/06	2.1	Shared Supply Meter Points - xoserve to confirm and advise the number and location of all sites currently designated as SSMPs.	xoserve	Closure recommended 27/09/06 Data from xoserve circulated 26/09/06 and presented 27/09/06

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D9030	30/08/06	2.1	Shared Supply Meter Points - The DNs to consider the role of the Allocation Agent within the bid process.	DNs	Closure recommended 27/09/06 User Agent referred to in Business Rules section 8.
D9033	30/08/06	2.4	New Supply Points - DNs and xoserve to look at what happens in the current process whereby the SOQ increases through the ratchet and the increased flow cannot be accommodated immediately.	DNs and xoserve	Closure recommended 27/09/06 Note circulated from xoserve 26/09/06
D9034	30/08/06	2.4	New Supply Points - DNs to consider UNC G5.5.4 and any impacts, and how to manage an increase/decrease in capacity in an existing site.	DNs and GE	Closure recommended 27/09/06
D9035	14/09/06	2.1	DNs to devise appropriate governance arrangements and a "payment methodology statement".	DNs and Ofgem	27/09/06 Business Rules Section 1 identifies need and Ofgem to consider title and governance. Action carried forward
D9036	14/09/06	2.1	The DNs to produce and publish a Pricing discussion document to be issued as soon as possible to a wider audience. Once produced the Pricing paper to be tabled for discussion at appropriate industry meetings.	DNs	Closure recommended 27/09/06 25/09/06: Pricing Discussion Paper published with reps close out 11 th Oct and meeting scheduled for 2pm 10 th Oct.
D9037	20/09/06	2.1	The DNs and the NTS to establish with xoserve the feasibility of bringing forward the demand forecasting activities.	DNs and NTS	Action carried forward 27/09/06 No xoserve or NTS representative in attendance. 05/10/06 xoserve response circulated on Joint Office Web site
D9038	27/09/06	2.1 Section 4	Shippers to consider their preference on whether to retain differentiation between ratchets for Supply Points and overruns for LDZ CSEPs or whether to have one mechanism for both classes of connection.	Shippers	05/10/06 No consensus reached amongst Shippers so both mechanisms retained within business rules
D9039	27/09/06	2.1 Section 5	DNs to clarify terminology for interruptible capacity tranches (ref v1.5 Rule 5.5.1.8).	DNs	05/10/06 Transporters decided to keep existing business rule wording
D9040	27/09/06	2.1 Section 8	DNs to consider whether a more flexible arrangement was possible for reallocation of firm and interruptible supply point components where an interruptible contract is in place.	DNs	05/10/06 Transporters decided to keep existing business rule wording
D9041	27/09/06	2.1 Section 9	DNs to consider how best to accommodate the scenario of new supply points where there is insufficient firm capacity.	DNs	05/10/06 Transporters decided to keep existing business rule wording

