

UNC Workgroup 0407 Minutes
Standardisation of notice periods for offtake rate changes for all
National Grid NTS Exit Users

Thursday 05 January 2012

ELEXON, 350 Euston Road, London NW1 3AW

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Andrew Fox	(AF)	National Grid NTS
Charles Ruffell	(CR)	RWE npower
Chris Shanley	(CS)	National Grid NTS
Colin Thomson	(CT)	Scotia Gas Networks
Darren Reeve	(DR)	Interconnector
Dave Adlam	(DA)	National Grid Distribution
Dora Ianora	(DI)	Ofgem
Erika Melen	(EM)	Scotia Gas Networks
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
James Kerr	(JK)	National Grid NTS
Julie Cox	(JCx)	AEP
Lewis Hodgart	(LH)	Ofgem
Mike Wassell	(MW)	National Grid NTS
Natasha Ranatunga	(NR)	Ofgem
Phil Broom	(PB)	GDF Suez
Phil Hobbins	(PH)	National Grid NTS
Rekha Theaker	(RT)	Waters Wye Associates
Richard Fairholme	(RF)	E.ON UK
Rob Cameron-Higgs	(RCH)	Wales & West Utilities
Tom Purchase	(TP)	National Grid NTS

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0407/050112>

1.0 Introduction

This modification had been previously presented at the December Offtake Arrangements Workgroup, where it had been suggested that the Transmission Workgroup also be given an opportunity to consider this modification and express views.

RCH introduced the modification, explaining the background and intent. The modification had been raised to standardise the OAD rules for offtake range changes, which are currently restricted to 5% within 2 hours. The current rules may effectively require DNOs to use storage to meet VLDMC requirements and this could result in a requirement for additional storage investment, which is potentially uneconomic if the NTS offtake constraint could be relaxed. The aim was to ensure consistency of treatment between NTS direct consumers and DN connected consumers.

2.0 Discussion

PH indicated that National Grid NTS were not necessarily convinced the solution is appropriate as it is an issue for a particular LDZ. The 5% rule provides protection and is an assumption used for network planning purposes. National Grid NTS would need to analyse the impact of a blanket removal of the rule - the proposed solution transfers flexibility risk and it needs to be established if this is appropriate. PH believed there might be other commercial solutions rather than DNO investment in storage.

RT questioned the origin of the current rule, and whether the rationale for its introduction was still valid. It was believed that this might be difficult to discover as it had been in existence for some period of time. Pointing out that artificial barriers needed to be removed where possible, TD suggested that it could be approached from the alternative standpoint of what would be the downside(s) if this rule were to be removed.

The Workgroup agreed that it is appropriate for future meetings to be arranged to coincide with other OAD related modifications, with a report back to Transmission Workgroup attendees if issues for NTS connected customers arise. Further discussion will take place at the next Offtake Arrangements Workgroup, planned for Wednesday 18 January 2012 in Solihull.

3.0 Any Other Business

None raised.

4.0 Diary Planning for Review Group

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

The next meeting of this Workgroup will take place within the business proceedings of the Offtake Arrangement Workgroup on Wednesday 18 January 2012, 31 Homer Road, Solihull B91 3LT.