

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

Tuesday 29 January 2013

31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Alison Chamberlain	(AC)	National Grid Distribution
Alison Drummond*	(AD)	EDF Energy
Bethan Winter*	(BW)	Wales & West Utilities
Chris Shanley	(CS)	National Grid NTS
Colette Baldwin	(CB)	E.ON UK
David Corby	(DC)	National Grid NTS
David Mitchell	(DM)	Scotia Gas Networks
Eddie Blackburn	(EB)	National Grid NTS
Emma Buckton*	(EBu)	Northern Gas Networks
Harvey Beck*	(HB)	Ofgem
Helga Clark	(HC)	National Grid NTS
James Whiteford	(JW)	National Grid NTS
John Bolland*	(JB)	Scottish Power
Robert Cameron-Higgs*	(RCH)	Wales & West Utilities
Tim Davis*	(TD)	Joint Office
Tom Connolly*	(TC)	ScottishPower

**via teleconference*

Copies of all papers are available at: www.gasgovernance.co.uk/0407/290113

The Workgroup Report is due to the UNC Modification Panel by 16 May 2013.

1.0 Introduction and Status Review

1.1. Minutes

The minutes of the previous meeting were reviewed.

1.2. Actions

1201: Cost Impacts – DNs and NTS to review the accuracy of costs and to identify any other potential options that might be available other than a pipeline build

Update: See item 2.0 NTS Revised Cost Estimate presentation. **Closed**

1202: DNs to give views on any other options to be considered, eg reducing obligated capacity levels at Offtakes, and identify any consequential effects.

Update: Action deferred. **Carried Forward.**

1203: Modification 0407 to be outlined to a wider audience (Transmission Workgroup 10 January 2013) and views sought to be captured in the Workgroup Report.

Update: The Transmission Workgroup considered the Workgroup Report. **Complete.**

2.0 Workgroup Report

RCH gave a brief recap of the progress made to date and that the industry had provided a clear steer that the Workgroup needed to look at other options as current system functionality would not be suitable. As a result WWU had contacted NTS about the possibility of amending Modification 0407 to introduce the ability to apply the 2 hour 5% rule in certain circumstances and their preference was for option 1 in the NTS presentation.

CS provided a presentation on the National Grid NTS Revised Cost Estimate based on the current modification. CS acknowledged that the Workgroup might need to challenge some of the assumptions NTS have made, if the modification stays as it is however this was not a priority for today's meeting. The presentation provided some sensitivity analysis and NTS network investment estimates required to address the constraints identified. CS confirmed a full review of the Design Margin would be required if the modification were to be implemented to provide more robust figures.

TC asked about the design margin impacts. EB confirmed that the estimates had been provided on the peak/constrained conditions and he clarified if the modification could offer NTS the same protections currently in place then the investment may not be necessary.

CS provided a further presentation on the Options to apply the 2 hour 5% rule. NTS believed there would be some flexibility away from peak demands and explained the options to apply the 2 hour 5% rule. CS summarised Options 1, 2 and 3 providing the advantages and disadvantages of the three options.

RCH asked about the SFRN methodology used by NTS to manage option 3 and the notice issued upon an OPN rejection. EB explained these are location specific and can depend on the location on the system. CS confirmed National Grid NTS were looking at whether an advance warning could be incorporated in Option 3, which is not a clear on/off rule like the other options, with a view of enhancing option 3 and providing signals for difficult days rather than waiting for a trigger which trips the system.

CS offered to look at the methodology with Wales & West Utilities offline to keep the ball rolling and enable a report for panel.

RCH was keen to establish from the Workgroup the preferred solution. CS confirmed that Option 3 is the preferred NTS option but welcomed further views on all 3 options.

AC also supported Option 3 as this appeared to be the best short-term solution along side some advanced notification similar to Option 1. She recognised that Option 1 being nationally focussed may require the need for a different notice to cater for local variations.

RCH asked if there was anything in particular issues with any of the options, which could delay implementation. CS believed all were viable and he did not foresee any elements that would delay implementing any one option or require a longer lead-time.

RCH wished to review the options and reconsider the modification.

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 will take place within the business proceedings of the Offtake Arrangements Workgroup on:

Tuesday 26 February 2013, at 10:30, 31 Homer Road, Solihull, B91 3LT

Tuesday 26 March 2013, at 10:30, 31 Homer Road, Solihull, B91 3LT

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1201	12/12/12	3.0	Cost Impacts – DNs and NTS to review the accuracy of costs and to identify any other potential options that might be available other than a pipeline build	NTS and DNs	Closed
1202	12/12/12	3.0	Give their views on any other options to be considered, eg reducing obligated capacity levels at Offtakes, and identify any consequential effects.	DNs	Carried Forward
1203	12/12/12	3.0	Modification 0407 to be outlined to a wider audience (Transmission Workgroup 10 January 2013)	JO	Complete