

UNC Workgroup 0426 Minutes
Amendment to the NTS System Entry Overrun Charge
Thursday 05 July 2012
Elxon, 350 Euston Road, London NW1 3AW

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Andrew Pearce	(AP)	BP Gas
Charles Ruffell	(CR)	RWE npower
Chris Wright	(CW)	Centrica
Erika Melen	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye Associates
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Harvey Beck	(HB)	Ofgem
Julie Cox	(JCx)	Energy UK
Lesley Ramsey	(LR)	National Grid NTS
Lewis Hodgart	(LH)	Ofgem
Malcolm Arthur	(MA)	National Grid NTS
Matthew Hatch	(MH)	National Grid NTS
Matthew Ramsden	(MR)	Ofgem
Mike Wassell	(MW)	National Grid NTS
Rob Cameron-Higgs	(RCH)	Wales & West Utilities
Steve Pownall	(SP)	National Grid NTS

Copies of all papers are available at: www.gasgovernance.co.uk/0426/050712

1.0 Review of Minutes and Actions

1.1 Minutes

The minutes of the previous meeting were approved.

1.2 Actions

0426/001: Provide details of the instances of the overruns, demonstrating the volume involved and the overrun charge that would have applied with the proposed solution.

Update: Covered in the presentation. **Closed**

0426/002: Provide an explanation of the costs and timescale of implementation.

Update: Covered in the presentation and the ROM. **Closed**

2.0 Discussion

LR gave a brief presentation, referring to the proposed solution and providing the information requested under Actions 00426/001 and 00426/002. A ROM had also been provided, which gave more detailed information on the potential changes required and the associated costs.

Acknowledging observations that it seemed a very expensive system change given the scale of the problem of overruns, as illustrated by the information provided, MW still believed it was a change worth making to preserve and uphold the principle of 'ticket to ride'. It was difficult to know whether a system solution was the best way to address this, but it seemed appropriate to do something in order that parties should not be able to overrun without any consequence. MW pointed out that this modification encompassed a much more narrow scope than that which had been proposed under Modification 0119.

The difficulties of establishing appropriate cost reflectivity were discussed. It was hard to know what were the reasons for the overruns and whether the modification would change behaviour. The right booking behaviour required encouragement; if it could be done without expensive system changes that would be welcome, but it was difficult to know how to accomplish this cost-effectively. JCx suggested that National Grid NTS should perhaps more visibly report on overruns, especially if the issue was confined to the same party(ies), rather than being 'random' errors. It was agreed that those present should give this challenging aspect further consideration and forward any views/suggestions to the Joint Office for inclusion in the draft Workgroup Report, which would be revised and published in advance of the next meeting.

Action TR003: Cost Reflectivity - give this aspect further consideration and forward any views/suggestions to the Joint Office for inclusion in the draft Workgroup Report.

The allocation of costs between Shippers under User Pays was discussed, ie whether it should be based on throughput or on capacity holdings on a given day. National Grid NTS agreed to give this further consideration and make a proposal, with simplicity the key objective.

3.0 Workgroup Report

The Workgroup must present its Report by the September UNC Modification Panel. The revised draft will be reviewed at the next meeting.

4.0 Diary Planning for Review Group

Please note the change of venue in light of the Olympic Games.

The next meeting will be held on Thursday 02 August 2012 at 31 Homer Road, Solihull B91 3LT within the business proceedings of the Transmission Workgroup.

Action Log – Workgroup 0426

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
001	07/06/12	1.0	Provide details of the instances of the overruns, demonstrating the volume involved and the overrun charge that would have applied with the proposed solution.	National Grid NTS (LR)	Closed
002	07/06/12	1.0	Provide an explanation of the costs and timescale of implementation.	National Grid NTS (MW)	Closed
003	05/07/12	2.0	Cost Reflectivity - give this aspect further consideration and forward any views/suggestions to the Joint Office for inclusion in the draft Workgroup Report.	ALL	Views to JO by 23 July 2012