

UNC Workgroup 0470 Minutes

Notification of Minimal Safety operating gas needs of large customers

Friday 08 November 2013

Consort House, 6 Homer Road, Solihull, B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andrew Margan	(AM)	British Gas
Bethan Winter*	(BW)	Wales & West Utilities
Chris Warner	(CW)	National Grid Distribution
Claire Thorneywork*	(CT)	National Grid NTS
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
Dave Corby	(DC)	National Grid Transmission
David Mitchell	(DM)	Scotia Gas Networks
Erika Melén	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye Associates
Hilary Chapman	(HC)	Xoserve
Kirsten Elliot-Smith	(KES)	Cornwall Energy
Les Jenkins	(LJ)	Joint Office
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Nigel Williams*	(NW)	Wales & West Utilities
Richard Vernon	(RV)	RWE npower
Robert Cameron-Higgs	(RCH)	First Utility
Rob Johnson	(RJ)	Wingas
Steve Edwards*	(SE)	Wales & West Utilities

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0470/081113

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 March 2014.

1.0 Outline of Modification

GE introduced the modification and explained the rationale behind it.

2.0 Initial Discussion

UNC Modification 0470 presentation

GE provided an overview of the presentation, explaining that it is being made on behalf of the Proposer, Wingas UK.

During discussions it was suggested that implementation of the modification could take place prior to delivery of Project Nexus and that focusing on daily read sites was a good starting point as these sites are impacted the most, and hopefully reflects the potential

expansion in future. GE explained that the aim is not to build a 'straight jacket', but to deliver a more flexible (localised DN) process for turn down, which would hopefully be able to accommodate the fact that DN's have subtly different approaches. When asked, RJ indicated that he would be happy to support a site-by-site based solution if it is deemed to be beneficial.

Some debate took place around whether or not the Transporters could potentially incur liabilities during an emergency. GE advised that the modification is not seeking any Safety Case changes – it simply allows the facility for customers to ask, but the Transporters are not necessarily obliged to grant their requests. AR suggested that the Transporters would have to consider the proposals in due course, but his initial view is that there are some potential (Transporter) process benefits. CW suggested that production of the legal text would need careful consideration.

In suggesting that an annual process makes more sense, EM believed that careful consideration of capacity related issues would be needed. SE indicated that WWU are supportive of the basic principles of the modification, but firmly believes that a better understanding of the specific (local emergency) instances and potential HSE impacts (including provision of supporting evidence of the potential scales involved) would be needed at some point. BW also highlighted the fact that in many localised emergencies, they (WWU) have to make many assumptions to address the problem(s). Responding, GE acknowledged that the modification may not 'match' the requirements of each and every case, but still believes that the modification can deliver real benefits.

BF advised that one large (consumer) market player had already expressed concerns about Section 2 in the modification, as they consider it misrepresents the way they operate as they have legal obligations to be able to operate their plant safely in all conditions – GE agreed that this section should be reviewed. AR suggested that it feels more akin to maintaining the minimum maintenance rates for plant and equipment and that having an idea of the numbers involved would be beneficial. AM suggested that there is a need for business rules around priority status C banded sites, whilst EM suggested that the industry needs to consider whether it wants to put rules in place to accommodate those parties who may not currently adopt or follow safe processes. GE pointed out that a key element of the modification is focusing on improving communications between various parties, rather than seeking to invest in new plant and equipment. EM believes that communication volumes and timing impacts could be significant, whilst CB also suggested that prioritisation of sites (possibly aligned with geographical considerations) would be important. A new action was assigned to Shippers to provide a view on the likely number of applications they anticipate submitting to the relevant Transporter(s).

DA suggested that there could be some UK Link process and potential User Pays impacts depending upon how the Transporters would anticipate using the service. A new action was assigned to Xoserve (DA) and the Transporters (EM/AR) to investigate the potential impacts and provide a view on high level costs and user pays impacts.

In considering the 'Next Steps', GE indicated that he does not believe that Xoserve has a big role to play in providing information such as cost indicators etc., and should anyone have any potential 'show stopper' concerns, please let him know asap.

When asked, GE/RJ confirmed that they would be looking to amend Section 2 of the modification to reflect points raised in the discussions in due course.

Action 0470 11/01: Shippers to provide a view on the likely number of applications they anticipate submitting to the relevant Transporter(s).

Action 0470 11/02: Xoserve (DA) and the Transporters (EM/AR) to investigate the potential impacts and provide a view on high level costs and user pays impacts.

3.0 Any Other Business

None.

4.0 Diary Planning for Review Group

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:30 on Tuesday 10 December 2013	Consort House, 6 Homer Road, Solihull B91 3QQ	Review actions and amended modification

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0470 11/01	08/11/13	2.0	To provide a view on the likely number of applications they anticipate submitting to the relevant Transporter(s).	Shippers	Update to be provided.
0470 11/02	08/11/13	2.0	To investigate the potential impacts and provide a view on high level costs and user pays impacts.	Xoserve (DA) & Trans' (EM/AR)	Update to be provided.