

**Transmission Workgroup
Minutes
Thursday 05 May 2011
ELEXON, 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
Colin Thomson	(CT)	Scotia Gas Networks
Dora Ianora	(DI)	Ofgem
Fergus Healy	(FH)	National Grid NTS
Graham Jack	(GJ)	Centrica
Jacopo Vignola	(JV)	Centrica Storage Ltd
Jeff Chandler	(JC)	SSE
Jill Brown	(JB)	RWE npower
Julie Cox	(JCx)	AEP
Lesley Ramsay	(LR)	National Grid NTS
Lewis Hodgart	(LH)	Ofgem
Mike Wassell	(MW)	National Grid NTS
Natasha Ranatunga	(NR)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Broom	(PB)	GDFSuez
Phil Hobbins	(PH)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK
Richard Sarsfield-Hall	(RSH)	Poyry Management Consulting
Rob Cameron-Higgs	(RCH)	Wales & West Utilities
Simon Trivella	(ST)	Wales & West Utilities
Stefan Leedham	(SL)	EDF Energy
Steve Pownall	(SP)	National Grid NTS

1. Introduction

Copies of all papers are available at www.gasgovernance.co.uk/tx/050511.

TD welcomed attendees to the meeting.

1.1 Review of Minutes of Previous Meeting (07 April 2011)

The minutes of the meeting were accepted.

1.2 Review of Outstanding Actions

TR0301: UNC0338 – Consider putting all changes/requirements associated with removal of the licence requirement from Traders into a separate UNC section, revise the modification and provide legal text together with explanatory commentary.

Update: PH reported that National Grid expected to release the legal text by mid May for consideration at the June Workgroup.

JCx noted that the EU consultation regarding the requirement to hold a licence in each country. DI responded that the European passport details were not yet worked out; she was monitoring this position and was in contact with Ofgem's European Team.

Action carried forward

TR0302: UNC0338 – Ascertain if Ofgem has formal information gathering powers under the current Shipper Licence, and also whether removal of the requirement to hold a licence would then negate any current formal sanctions open to Ofgem.

Update: DI believed that both Xoserve and National Grid would have a high degree of visibility and all the necessary caveats would be put into UNC TPD Section Q. Ofgem may have a consultation in the future. On the electricity side prices were monitored and questions were asked; a formal investigation could be launched if deemed necessary.

DI indicated that efforts would be made to keep the consultation and the modification in parallel. NW commented that he would like to see the Ofgem consultation first.

Action closed

TR0401: Clarify Ofgem's interpretation of C27(1)(b) regarding an ongoing right of veto over changes to the IDLP Methodology Statement.

Update: A letter setting out the Authority's views had been published on 13 April 2011; Modification 0337 had therefore lapsed in accordance with paragraph 12.8.3 of the UNC Modification Rules. **Action closed**

Action TR0402: UNC0276 – Ofgem to clarify expectations regarding implementation of Modification 0276.

Update: LH confirmed that Ofgem recognised that there was no demand for the service at this stage, but saw no reason for a modification to be raised to remove 0276. A letter of derogation is to be provided, accepting that implementation should not proceed. **Action closed**

Action TR0403: RIIO – Workshop 17 May 2011: Ensure that details and papers will be published in advance.

Update: FH confirmed that these would be published on 10 May 2011. **Action closed**

1.3 Review of Live Modifications not covered elsewhere on the agenda

The Modifications Register is available at: www.gasgovernance.co.uk/mods.

TD gave an update on the status of current modifications.

0349 – Noting this was a complex modification, FH reported that the legal text was under consideration by the Proposer (British Gas) and that National Grid was awaiting a response/agreement, before providing to Ofgem.

1.4 Industry Updates

LH reported on recent Ofgem activities:

Direction to modify Special Condition C3: Restriction of prices for liquefied natural gas (LNG) storage services: Published 07 April 2011

Fleetwood Income Adjusting Event: Publication of the decision is expected by 07 May 2011.

Open Letter consultation - Setting new revenue drivers, updating existing revenue drivers and adding new exit points to the Gas Transporter Licence – will proceed to statutory consultation in the next few weeks (National Grid Gas must publish invitation by 03 June 2011).

Project TransMit – Publication of the final academic charging reports is expected within the first two weeks of May.

TPCR4 Rollover - Consultation closes on 13 May 2011.

Consultation on Relevant Points of a Transmission System – Decision expected shortly.

2. UNC Modifications

2.1 Modification 0338: “Remove the UNC requirement for a ‘gas trader’ User to hold a Gas Shipper Licence”

See update under Action TR0301, above. Any further feedback would be welcomed in advance of the next Transmission Workgroup meeting.

The Workgroup Report date has been extended to 21 July 2011.

2.2 Modification 0352: “The Introduction of an Interruptible Reverse Flow service at Moffatt Interconnector”

Any further feedback would be welcomed in advance of the next Transmission Workgroup meeting.

The Workgroup Report date has been extended to 21 July 2011.

3. Workgroups

The following individual Workgroup meetings took place:

3.1 0363 – Commercial Arrangements for NTS Commingling Facilities

Minutes for this meeting are at www.gasgovernance.co.uk/0363/050511.

3.2 0373 – Governance of NTS connection processes

Minutes for this meeting are at www.gasgovernance.co.uk/0373/050511.

3.3 0376 – Increased choice when Applying for NTS Exit Capacity

Minutes for this meeting are at www.gasgovernance.co.uk/0376/050511.

4. Issues

4.1 Exit Reform: Deemed Applications

ST gave a short presentation outlining the background to the issue, and questioning the need to maintain the concept, as in his view, there did not seem to be any justification for the approach. There was a brief discussion as to reasons why it may have been introduced, and a general consensus that it appeared to be no longer appropriate. PB indicated he would expect to support a modification seeking to remove deemed applications, and ST added that he had received an email from National Grid Distribution to the same effect.

MW suggested that there would be a need to assess the industry's views if changing to an overrun regime. ST observed that the overrun regime was 'the stick' and there were other mechanisms in place to prevent gaming. Ratcheting did not give the right to exit capacity.

Systems aspects would also require consideration, but it was possible that any change might just require the switching off of a particular functionality.

5. Any Other Business

5.1 Annual Review: Incremental Entry Capacity Release (IECR) and Entry Capacity Substitution (ECS) Methodology Statements

LR gave a brief presentation indicating that the annual review will be commenced in June 2011, and that any issues identified with the current methodologies should be submitted to (Lesley.ramsey@uk.ngrid.com) by 02 June 2011.

Formal consultation on any proposed changes to the ECS Methodology Statement will commence in August 2011, and formal consultation on any proposed changes to the IECR Methodology Statement will commence in September 2011.

6. Diary Planning

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

The next Transmission Workgroup meetings are scheduled as follows:

10:00 02 June 2011, at ELEXON, 350 Euston Road, London NW1 3AW

10:00 07 July 2011, at ELEXON, 350 Euston Road, London NW1 3AW

10:00 04 August 2011, at ELEXON, 350 Euston Road, London NW1 3AW

Action Log – UNC Transmission Workstream: 05 May 2011

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
TR 0301	03/03/11	2.2	UNC0338 – Consider putting all changes/requirements associated with removal of the licence requirement from Traders into a separate UNC section, revise the modification and provide appropriate legal text together with explanatory commentary.	National Grid NTS (DC)	Legal text to be provided by 23/05/11 Carried Forward
TR 0302	03/03/11	2.2	UNC0338 – Ascertain if Ofgem has formal information gathering powers under the current Shipper Licence, and also whether removal of the requirement to hold a licence would then negate any current formal sanctions open to Ofgem.	Ofgem (DI)	Closed
TR 0401	07/04/11	1.2	UNC0337 - Clarify Ofgem's interpretation of C27(1)(b) regarding an ongoing right of veto over changes to the IDLP Methodology Statement	Ofgem (RM/LH)	Closed
TR 0402	07/04/11	1.3	UNC0276 – Clarify expectations regarding implementation of Modification 0276	Ofgem (RM/LH)	Closed
TR 0403	07/04/11	1.4.2	RIIO – Workshop 17 May 2011: Ensure that details and papers are published in advance.	National Grid NTS (FH/PH)	Closed