

Workgroup 0356 Minutes
Demand Data for the NTS Exit (Flat) Capacity Charges
Methodology

Thursday 07 July 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
Asma Jalal	(AJ)	Centrica
Chris Wright	(CW)	Centrica
Debra Hawkin	(DH)	National Grid NTS
Eddie Blackburn	(EB)	National Grid NTS
Fiona Gowland*	(FG)	Total
Fiona Strachan	(FS)	Gazprom
Jacopo Vignola	(JV)	Centrica Storage Ltd
Jill Brown	(JB)	RWE npower
John Costa	(JC)	EDF Energy
Julie Cox	(JCx)	AEP
Lewis Hodgart	(LH)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Paul O'Donovan	(POD)	Ofgem
Richard Fairholme	(RF)	E.ON UK
Richard Hounslea	(RH)	National Grid NTS

**via teleconference*

Copies of all papers are available at: www.gasgovernance.co.uk/0356/070711.

1. Review of Minutes and Actions from the previous meeting (10 May 2011)

1.1 Minutes

The minutes of the previous meeting were approved.

1.2 Actions

The outstanding actions were reviewed.

WG0301: Provide web link to presentation on Moffat prices related to St Fergus flow as described in GCD09.

Update: RH provided the following web-link:

<http://www.nationalgrid.com/NR/rdonlyres/3BA79707-6DBB-4F61-BCC6-32BF349D87EB/42888/100902GasTCMExitCapacityChargingV1.pdf>

Closed

WG0302: Consider what the potential might be for Moffat to reduce bookings.

Update: RH reported that the figures were 212GWh per day and 271.6 GWh per day. The current booking level is 509, so there was about a 300GWh

difference. This could be reduced to zero by non-committed Shippers but it would not change the obligated level. It would bring the booked level closer to the forecast level. **Closed**

Action WG0501: Model scenarios to test volatility (model 2009/10 Indicatives and Actuals using both bookings and forecasts).

Update: Information was provided through a presentation given by RH, who pointed out that, as there was only a year's worth of data available, this was an insufficient basis on which to reach any firm conclusion regarding which model would offer the greatest degree of stability; being on the cusp of supply change meant that volatility was to be expected. **Closed**

Action WG0502: Reduction window 01–15 July - Advise of earliest availability/publication of results.

Update: RH reported that the earliest date that the results could be made available was 30 September. This meant that if any further analysis were to be requested to show the effect of booking reductions this would not be available for presentation until an October Workgroup 0356 session. **Closed**

Action WG0503: Demand Data: References and Glossary - Clarify definitions provided under "Extract from 20120 TYS – 3.8 Impact of Exit Reform on Peak Gas Demand".

Update: To be provided. **Carried forward**

2. **Assessment of Alternative Options**

JCx again requested, in the event of any changes made, that all charges, modelled and actuals, be provided in spreadsheet format to facilitate use of the information. EB noted this.

2.1 **National Grid NTS (Modification 0356)**

RH outlined the changes made to the modification (now at version 2) in response to feedback offered at the previous meeting. The draft legal text had been made available for discussion.

2.2 **EDF Energy (Modification 0356A)**

JC explained the changes made to the modification (now at version 2) in response to feedback offered at the previous meeting. RH added that the legal text was being discussed with the Proposer and it should be available for discussion at the next meeting.

3. **Assessment of Legal Text**

Modification 0356

TD pointed out that it was possible the text changes relating to UNC TPD O and UNC TPD Y should be measured against different sets of relevant objectives, and reminded National Grid NTS that the legal text needs to reflect the intent of the modification rather than incorporating additional changes.

It was agreed that the text would be further reviewed and discussed at the next meeting, when the legal text for Modification 0356A would also be available.

4. Workgroup Report

It was noted that a Workgroup Report is due to be submitted for the Modification Panel meeting on 17 November 2011.

TD asked whether Ofgem would require any further analysis to be included in the Workgroup Report. POD advised that there would be an Impact Analysis on these modifications; the differences between each of the proposals and also the current situation should be made very clear, and how each might contribute to and improve future pricing stability. TD offered the Workgroup's assistance to help frame appropriate questions if this should be required by Ofgem.

5. Any Other Business

None raised.

6. Diary Planning for Workgroup

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

The next Workgroup 0356 meeting will be arranged for mid - late October and details will be advised nearer the time.

Action Log - Workgroup 0356: 07 July 2011

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
WG 0301	11/03/11	4.1	Provide web link to presentation on Moffat prices related to St Fergus flow as described in GCD09.	National Grid NTS (RH)	Closed
WG 0302	11/03/11	4.2	Consider what the potential might be for Moffat to reduce bookings.	National Grid NTS (EB)	Closed
WG 0501	10/05/11	3.	Model scenarios to test volatility (model 2009/10 Indicatives and Actuals using both bookings and forecasts).	National Grid NTS (EB)	Closed
WG 0502	10/05/11	3.	Reduction window 01–15 July - Advise of earliest availability/ publication of results	National Grid NTS (EB)	Closed
WG 0503	10/05/11	3.	Demand Data: References and Glossary - Clarify definitions provided under "Extract from 20120 TYs – 3.8 Impact of Exit Reform on Peak Gas Demand"	National Grid NTS (EB)	