

**Workgroup 0363**  
**- Commercial Arrangements for NTS Commingling Facilities -**  
**Minutes**  
**Thursday 04 August 2011**  
**ELEXON, 350 Euston Road, London NW1 3AW**

**Attendees**

Tim Davis (Chair)	(TD)	Joint Office
Bob Fletcher (Secretary)	(BF)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Antonio Ciavolella	(AC)	BP Gas
Charles Ruffell	(CR)	RWE npower
Colin Thomson	(CT)	Scotia Gas Networks
Chris Wright	(CW)	Centrica
Fergus Healy	(FH)	National Grid NTS
Fiona Gowland*	(FG)	Total
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Ian Taylor	(IT)	Northern Gas Networks
Jacopo Vignola	(JV)	Centrica Storage
Jayne Dawson	(JD)	Northern Gas Networks
Jeff Chandler	(JC)	SSE
Jill Brown	(JB)	RWE npower
John Costa	(JCo)	EDF Energy
Julie Cox	(JCx)	AEP
Lewis Hodgart	(LH)	Ofgem
Louise Aikman	(LA)	National Grid NTS
Natasha Ranatunga	(NR)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Broom	(PB)	GDF Suez
Phil Hobbins	(PH)	National Grid NTS
Richard Fairholme	(RF)	E.ON UK
Simon Trivella	(ST)	Wales & West Utilities
Steve Pownall	(SP)	National Grid NTS

*\*teleconference*

*Copies of all papers are available at: <http://www.gasgovernance.co.uk/0363/040811>.*

**1. Review of Minutes and Actions from the previous meeting (07 July 2011)**

**1.1 Minutes**

The minutes were approved.

**1.2 Actions**

**WG0501:** Consider any further refinements to the modification, and produce revised modification if appropriate.

**Update:** An amended modification has been provided. **Closed**

## **2. Review of Business Rules and Legal Text**

PH explained the revisions made to the modification following the discussion at the previous meeting and that it now includes suggested legal text.

### **2.1 Business Rules**

Amendments to the Business Rules were reviewed. ST was still unsure how simultaneous entry and exit is achieved operationally and that this could cause issues for DNOs from a charging perspective if seen as a precedent. His concerns were mainly how the charging would work and that this might be applied at a DNO level. PH observed that a site that could not meet the definition was not operating a commingling process and so rightly excluded. PH also noted that the process is ring fenced to the NTS only in order to avoid any unintended DNO impacts.

PH added that the expectation is net entry to the NTS. ST still had reservations, as most commingling facilities would take out and put back into the network at a similar location, but there was still a risk to charging as a similar situation could be created without the site being a commingling site. NW disagreed as he felt only a commingling site would meet the criteria and no other operation could meet the criteria of simultaneous exit and entry.

PH advised that any request for commingling site status would be discussed on a case-by-case basis and, if they meet the criteria, it is unlikely they would be rejected. ST still felt that sites could replicate the process without being a commingling site, with a meter testing facility being one possibility. LH questioned why the definition was necessary and hence the arrangement restricted to commingling – if the same conditions occurred without commingling, the same charging arrangements should apply. PH clarified that the upstream process for commingling is a necessary part of the operation. LH remained concerned that the definition may restrict other parties who may offtake gas then put gas back in the system without commingling.

NW was unconvinced there was an issue as he could not understand the type of business required to have this functionality. JV asked if storage sites that need to commingle to maintain gas quality would be able to utilise the service. TD suggested that any site that meets the definitions in the modification would be expected to qualify.

### **2.2 Legal Text**

The legal text was reviewed - there were no further comments.

## **3. Completion of Workgroup Report**

TD introduced the Workgroup Report, which had been published for review ahead of the meeting, and ran through the salient points on screen.

Attendees approved the Workgroup Report with a recommendation that the modification be issued for consultation

## **4. Any Other Business**

None raised.

## **5. Diary Planning for Workgroup**

No further meetings required.

**Action Log – Workgroup 0363: 04 August 2011**

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
WG 0501	05/05/11	3	Consider any further refinements to the modification, and produce revised modification if appropriate.	National Grid NTS (PH)	Closed