

**Workgroup 0373**  
**Governance of NTS connection processes**  
**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: [www.gasgovernance.co.uk/0373/040811](http://www.gasgovernance.co.uk/0373/040811)*

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

**1.1 Review of Minutes**

The minutes of the previous meeting were accepted.

**1.2 Review of Actions**

**WG0604:** Provide a connection process timeline from a GSOG perspective (JV).

**Update:** JV advised that a process timeline is still being developed. **Carried forward**

**WG0701:** Amend the connections process rules, and the modification if appropriate.

**Update:** RF advised the Business rules had been amended. **Closed**

**WG0702:** Revise application form in light of comments received.

**Update:** SP advised the amendments had been considered and incorporated. **Closed**

## **2. Discussion**

### **2.1 Business Rules**

The Business Rules were reviewed, with RF explaining the amendments made following the last discussion.

NR asked if it was envisaged that there would be a check-list for Ofgem to use in their proposed review under rule 2.4. RF advised that this was being considered, but Ofgem's processes are beyond the scope of the UNC and he wanted to ensure that he was not inappropriately fettering their discretion.

SP asked what would happen if National Grid NTS failed to meet the six months target for the provision of a report – what does this mean from an applicant's perspective? RF advised this would be a breach of code and subject to the sanctions that exist in such circumstances. NW wanted to see checks and balances put in place to ensure that applications for extensions have very good reasons for the delay, and that last minute requests are avoided. In general, requests for additional time should be due to complex engineering issues or similar practical concerns.

RF advised that the CUSC does not include timescales for the connection process, but he would review the timing requirements to consider overlaps and best practice.

SP asked if any rules on penalties for late delivery should be aligned with CUSC. RF had considered this, but felt the rules in CUSC were not clear and allow for referring any issues to Ofgem.

**New Action WG0801:** RF to review the CUSC connection process to consider overlaps and best practice.

JCx asked if particular geographic areas were more complex than others - for example, does the South East create more issues – such that a longer timeline is necessary. SP asked if parties wanted NTS to undertake a geographic review to support this. JCx thought this would be worthwhile in order to reduce the number of potential shocks.

JV asked if the proposed matrix of connection types would be fixed in UNC once it was approved. SP advised that the matrix would need to be reviewed on a regular basis and so may sit better outside the UNC itself.

SP advised that National Grid NTS would need to review how they resource the connection process as it is a significant change to the way they currently operate. This is being actively considered, and revised resourcing has been reflected in price control submissions. JCx was concerned that implementation of this modification is not delayed due to price control discussions.

NW argued that two of the most important issues to customers are how much the

work is going to cost, and if there are any credit requirements. These needed clarifying as soon as possible, especially if any change is proposed. FH advised that the thrust of National Grid's internal review is to consider internal processes and handoffs to help improve the customer experience.

JV queried whether all of the information suggested as required for a Pre-Connection Application Study is essential. Though the process needs to be flexible, some of the information may not be available at the time of the request. SP advised that minimum connections on greenfield sites should not require a pre-connection study. However, for more complex situations they are required. RF was concerned at the amount of time feasibility studies can take and that the process should not form part of the offer and its timeline. SP agreed that feasibility study rules should be very clear to benefit all concerned and to ensure they are not confused with more detailed, construction and design, engineering studies.

JCx asked for clarification on what concepts are included in the feasibility study - do they provide options and costs for each option? She was concerned that greenfield sites are not considered, yet the connecting party may need to consider the details and choices as they will be doing most of the work up to the point of connection.

NW emphasised that governance around the timescales for feasibility studies would be valuable. SP asked if there were timescales for this in the CUSC, but no one was aware of any or who drives any such timetable. DJ wanted to see a difference in the process between a genuine request and a speculative request from a developer. He also thought there should be a separate clocks so that the process does not overlap or take excessive amounts of time.

NW agreed and thought most feasibility studies should be done in 2 to 3 weeks, as it should be desktop exercise, and should not be confused with conceptual design studies. SP was not sure this was achievable under certain circumstances. TD thought it could be a case of delivering what can be achieved in the time – more detailed requirements would require more time.

JV wanted to see the offer at the end of the process once costs and planning were understood. SP disagreed, as the offer needs to be in place at the start to trigger the revenue drivers and ensure investment is appropriate.

SP suggested that, where additional information is requested, if an applicant refuses to provide the information, the application should be rejected. RF was concerned that some information may be commercially sensitive and there should be a defined list of items that can be requested, or that the request could be referred to Ofgem for their view on whether the information was essential.

NW requested that where an offer is amended then National Grid NTS should provide the revised offer asap. RF advised that CUSC have a materiality process - changes need to exceed £10k - though this may not be applicable to gas as costs are on a pass through basis.

**New Action WG0802:** RF to amend the business rules following the comments received during the discussion.

## 2.2 Application Form

The draft Application Form was reviewed and discussed. JCx asked if all the questions needed to be answered if a party applied for a pre-application study. SP confirmed this was correct, to ensure the process is followed end to end. It is not

compulsory to answer every question but the process needs to be standardised and the questions understood in advance. JCx was not convinced that all the information requested would be available for a pre-application study.

**New Action WG0803:** SP to identify which questions they consider to be mandatory and which advisable for pre-application study.

JCo asked if information that the connecting party may require from National Grid NTS should be defined. SP thought this would be set out in the pre-application study and this would then be discussed with the customer. JCo would like the risk that the connecting party is likely to face to be highlighted. RF was concerned that the timescales are significant and the issues may change over the years leading up to connection.

SP advised that he aimed to start using the form going forward as he considers it will help the connection process irrespective of where this modification ends up. He suggested allowing comments for an additional two weeks prior to implementing the form.

### **3. Any Other Business**

None raised.

### **4. Diary Planning for Workgroup**

*Details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)*

The next meeting will take place as part of the Transmission Workgroup meeting scheduled to commence at 10:00am on Thursday 01 September 2011 at Elexon, 350 Euston Road, London NW1 3AW.

**Action Log - Workgroup 0373**

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
WG 0604	02/06/11	2.4	Provide a connection process timeline from a GSOG perspective.	Centrica Storage (JV)	Carried forward
WG 0701	07/07/11	2.1	Amend the connections process rules, and the modification if appropriate.	E.ON UK (RF)	Closed
WG 0702	07/07/11	2.2	Revise application form in light of comments received.	National Grid NTS (SP)	Closed
WG 0801	04/08/11	2.1	Review the CUSC connection process to consider overlaps and best practice.	E.ON UK (RF)	Pending
WG 0802	04/08/11	2.1	Amend the business rules following the comments received during the discussion.	E.ON UK (RF)	Pending
WG 0803	04/08/11	2.2	Identify which questions they consider to be mandatory and which advisable for pre-application study.	National Grid NTS (SP)	Pending