

Workgroup 0376
Increased Choice when Applying for NTS Exit Capacity
Minutes
Thursday 04 August 2011
Elxon, 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
Colin Thomson	(CT)	Scotia Gas Networks
Chris Wright	(CW)	Centrica
Fergus Healy	(FH)	National Grid NTS
Fiona Gowland*	(FG)	Total
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
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
Steve Pownall	(SP)	National Grid NTS

*teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0376/040811.

1. Review of Minutes and Actions from previous meeting (02 June 2011)

1.1 Review of Minutes

The minutes of the previous meeting were accepted.

1.2 Review of Actions

WG 0504: National Grid NTS (FH) to consider a suitable limit to be placed on ad-hoc applications per exit point, and interactions with other exit points in the same area.

Update: FH advised that NTS had struggled to identify/justify a limit and requested that the action should be closed. **Closed**

2. Consideration of Modifications

JC outlined the recent amendments to Modification 0376 and the reasons for the changes. The change from reasonable to best endeavours had been removed, and the minimum request size increased to 1Gb.

FH then explained the reasons for raising Modification 0376A. While National Grid NTS had considered withdrawing 0376A in light of the changes to 0376, the alternative has been retained as the User Pays element may differ from the original modification. He advised a ROM has been produced and that it would be issued soon. The ROM indicated a system cost between £120k of £190k. The ROM applies to both 0376 and 0376A.

Responding to concerns about the suggested cost, SP believed that the issue and relatively high cost is due to the allocation of variable capacity start dates to various users. At present, months cannot be allocated to individual users – all users have to be allocated to the same date. JCx was concerned that the system may not reflect the exit reform requirements, and appears to lack flexibility, which leads to significant cost to amend in circumstances such as these.

JC was concerned that the overall for development was so high for what appeared to be a simple change, although the benefits were expected to exceed these costs. He accepted that he would need to reconsider the modification in light of this new information and consider the appropriate allocation of costs to put forward.

RF asked what National Grid NTS would be proposing as a User Pays split. FH proposed to use a similar split as outlined in Modification 0351 (50/50%) on the grounds that there would be benefits for both National Grid NTS and Users. There was a debate around the allocation of costs to DNOs - should they be considered as Users or Transporters, either of which has complications for the apportionment of costs.

JCx was still of the opinion that an adhoc process should already be in place and this process should just need to be tweaked to be able to manage this process and so should be relatively inexpensive to implement. It was accepted that the ROM would need to be reviewed to clarify this, and National Grid NTS were asked to publish the ROM and to ensure that it contained sufficient supporting information to explain the expected changes and the consequence for costs – identifying which of the proposed changes were particular cost drivers.

FH advised that the analysis and implementation would take around 26 weeks.

New Action WG0801: FH to make the ROM available for publication on the Joint Office website.

New Action WG0802: FH to provide a view on the apportionment of systems costs.

3. Consider Legal Text

0376

The legal text had been published in advance and no comments were provided at this stage.

0376A

Legal text has not been provided for 0376A.

4. Completion of Workgroup Report

In light of the provision of cost information during the meeting, and the unanticipated need to include User Pays considerations in the modifications, it was agreed that completion of the Workgroup Report would have to be deferred until the next meeting.

5. Any Other Business

None raised.

6. Diary Planning for Workgroup

1 September 2011, Elexon.

Action Log - Workgroup 0376 (04 August 2011)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
WG 0504	18/05/11	3.1	Consider a suitable limit to be placed on ad-hoc applications per exit point, and interactions with other exit points in the same area.	National Grid NTS (FH)	Closed
WG 0801	04/08/11	2.0	Make the ROM available for publication on the Joint Office website.	National Grid NTS (FH)	Pending
WG 0802	04/08/11	2.0	Provide a view on the apportionment of systems costs.	National Grid NTS (FH)	Pending