

Workgroup 0417S Minutes
Notice for Enduring Exit Capacity Reduction Applications
Thursday 01 March 2012
Elexon, 350 Euston Road, London NW1 3AW

Tim Davis (Chair)	(TD)	Joint Office
Bob Fletcher (Secretary)	(BF)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Andrew Fox	(AF)	National Grid NTS
Antonio Ciavolella	(AC)	BP
Bill Goode	(BG)	National Grid NTS
Charles Ruffell	(CR)	RWE npower
Chris Hewitt	(CH)	National Grid NTS
Chris Wright	(CW)	Centrica
Claire Thorneywork	(CT)	National Grid NTS
Dan Treverton	(DT)	National Grid NTS
Dave Corby	(DC)	National Grid NTS
Erika Melen	(EM)	Scotia Gas Networks
Fiona Gowland*	(FC)	Total*
Gerry Hoggan	(GH)	ScottishPower
Graham Jack	(GJ)	Centrica
Jacopo Vignola	(JV)	Centrica Storage
Jeff Chandler	(JCh)	SSE
Julie Cox	(JCx)	AEP
Lewis Hodgart	(LH)	Ofgem
Malcolm Arthur	(MA)	National Grid NTS
Paul Mott	(PM)	EDF Energy
Phil Broom	(PB)	GDF Suez
Phil Hobbins	(PH)	National Grid NTS
Steve Dixon	(SD)	National Grid NTS
Rekha Theaker	(RT)	Waters Wye Associates
Richard Fairholme	(RF)	E.ON UK
Robert Cameron-Higgs	(RCH)	Wales & West Utilities
Roddy Monroe	(RM)	Centrica Storage
Thomas Farmer	(TF)	Ofgem

* by teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0417/010312

1. Outline of Modification

JV gave a presentation and explained the intent of the modification.

2. Initial Discussion

RT was unclear on the scope proposed in the modification - is only the annual reduction window affected or does this also apply to the adhoc process. AF advised that if an adhoc request is received, a reduction can be progressed but this needs to be matched against an incremental signal from another source. AF confirmed a request for reductions during an adhoc window is made by National Grid NTS.

AF advised that he intends to raise a ROM to consider the costs and impacts on systems, which he anticipated being available in six weeks. However, he wanted

confirmation of the dates of the window and whether the intention of the modification is to continue as now. JV confirmed that the 1st day of the month start would remain in all cases. TD asked if the ROM could be provided earlier than mid April since Xoserve had been requested by the Panel to consider this when the modification was presented. AF agreed to seek an earlier view from Xoserve.

AF asked if Ofgem were concerned about the implied changes to the User Commitment, specifically the reduction in timescales. LH expressed no view at this stage, he wanted to get a full picture of the issues on both sides – he asked if National Grid NTS held a view at this stage. AF was concerned that the wrong investment signals may be sent and that this could impact Ofgem's assessment of whether National Grid NTS had undertaken economic and efficient investment in the network.

RM did not believe the modification impacts user commitment since it does not affect capacity booking for this purpose. JV added that user commitment is based on a value of money and not a level of capacity. The user should be able to change capacity held at different locations but still be on the hook for the value of money set as the user commitment. AF remained concerned that the modification was determined to Self-Governance by Panel when it could have impacts on investment decisions – National Grid NTS would want to be assured that investment was not deemed to be inefficiently incurred as a result of implementing this modification. TD advised that the Ofgem representative at Panel had not been concerned with the Panel's determination and that Ofgem can change the status if they wish to do so up to the point that the Panel determines whether or not to implement the modification.

JV was concerned how flexibility is to be maintained; there appears to be a rigid approach to capacity and a reluctance to change this by supporting this modification or offering an alternative solution.

It was agreed that a draft Workgroup Report would be prepared for completion at the next meeting, with an intention to submit this to the April Modification panel. National Grid NTS were asked to provide legal text and an implementation cost estimate in time for inclusion in the Report.

3. Terms of Reference

No comments were offered.

4. Any Other Business

None raised.

5. Diary Planning for Workgroup

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

The next meeting will be accommodated within the Transmission Workgroup, scheduled to take place on Thursday 05 April 2012 at Elexon, 350 Euston Road, London NW1 3AW.