

Offtake Arrangements Workstream Minutes
Wednesday 1st February 2006
held at Ofgem, 9, Millbank, London

Attendees

John Bradley (Chair)	(JB)	Joint Office
Dennis Rachwal (Secretary)	(DR)	Joint Office
Beverley Grubb	(BG)	Scotia Gas Networks
Mark Freeman	(MF)	National Grid UKD
Liz Spierling	(LS)	Wales and West Utilities
Paul Roberts	(PR)	National Grid NTS
Iain Ward	(IW)	National Grid DNCC
Robert Cameron-Higgs	(RCH)	Northern Gas Networks
Bethan Winter	(BW)	National Grid DNCC

1. Status Review

1.1. Minutes from 30-Nov-05 Workstream Meeting

The minutes were accepted. RCH indicated there was no longer a need to raise a topic concerning UNC provisions and their application relating to inter-transporters sharing of invoice adjustment costs.

1.2. Review of Outstanding Actions

All outstanding actions were closed – see Appendix A Action Log.

1.3. Review of Workstream’s Modification Proposals and Topics

The workstream was advised that the Consent relating to transition dates for Modification 0046 had now been approved.

The Topic Status Report was updated as follows.

- 001OF ‘NTS Exit Capacity’ – Extraordinary meeting required to further address implications arising from Ofgem’s Enduring Offtake Working Group.
- 005OF ‘NTS-LDZ Operational Information for low demand Days’
 See item 3.1 – draft Modification Proposal discussed with a view to submission to February Panel. Distribution Networks concerns regarding low demand days.
- 007OF on ‘Gas Transporters cooperation on planning and investment in networks’ See item 3.2 – scope discussed with a view to drafting terms of reference.
- 008OF ‘Assured Offtake Pressure interactions’ – National Grid NTS (PR) indicated it did not wish to pursue this since enduring it may be overtaken by Enduring Offtake Arrangements. Actions agreed to explore clarity of present UNC definitions and whether these meet operational needs.

2. Discussion of Topics

2.1. Topic 001OF NTS Exit Capacity Reform – Enduring Offtake Options

The workstream agreed there was a need for a dedicated meeting to gather views from Network experts on inter-transporter UNC aspects of Enduring Offtake options and feed this into Ofgem’s Enduring Offtake Working Group to help inform discussion of options.

Action OF1007 Joint Office to schedule Extraordinary Offtake Arrangements Workstream meeting on 15th February near the NEC to discuss inter-transporter aspects of Enduring Offtake options.

2.2. Topic 005OF NTS-LDZ Operational Information for low demand Days

Following discussion of the draft Modification Proposal that had been circulated on 31-Jan-06 for National Grid UKD, MF stated he would revise the legal drafting to reflect National Grid name change and to state that the low demand Day provision would not override the Offtake Capacity Statement. This was considered simpler than a provision that excluded negative LDZ aggregation of NTS Offtake (flexibility) Capacity. MF indicated his intention to raise the Proposal formally for consideration at February Panel.

Action OF1008 National Grid UKD (MF) to formally submit a Modification Proposal to clarify the requirements for flows at DN Offtakes on low demand days.

PR indicated he would need to consult with operational colleagues before he could give a National Grid NTS view on whether the draft Proposal was sufficiently developed for consultation. Other attendees indicated workstream recommendation to Panel for the Proposal to proceed to consultation.

DN representatives and IW expressed concern about potential adverse impact of the restrictions that low demand Days might impose on DN operation and questioned whether National Grid NTS needed the provisions.

Action OF1009 DN representatives (coordinated by RCH) to present potential adverse impact arising from low demand Day NTS offtake provisions.

Action OF1010 National Grid NTS (PR) to explain why low demand Day UNC provisions may still be required.

2.3. Topic 007OF Gas transporter cooperation on planning and investment in networks.

LS expressed the need to examine whether present UNC provisions were the most appropriate and efficient for network planning and investment for the period prior to introduction of any enduring NTS Offtake regime. In discussion the workstream agreed the topic should focus on planning rather than operations and should consider what information is exchanged between transporters, and the timing, format and mechanisms for information exchange, and discussion should result in a view as to one or more parties wished to propose any modifications to the current UNC provisions.

Action OF1011 Wales and West Utilities (LS) to produce draft terms of reference to examine present UNC provisions for transporter information exchange for planning and investment.

2.4. Topic 008OF Assured Offtake Pressures

National Grid NTS (PR) as originator of this topic indicated it no longer felt the need for discussion in the light of Enduring Offtake discussions.

DN representatives and IW stated they had concerns about operational interpretation of Assured Offtake Pressures and wished to ensure the UNC was adequately clear about the definition and application of Assured Offtake Pressures, in particular whether or not there was linkage to peak day demand.

Action OF1012 DN representatives to present their operational expectations regarding UNC provisions for Assured Offtake Pressures.

Action OF1013 National Grid NTS to check its interpretation of operational obligations in respect of Assured Offtake Pressures.

3. **Schedule of Future Meetings**

Extraordinary meeting on Enduring Offtake options

Date: Wednesday 15th February 2006

Venue: Novotel, Birmingham International

Time: provisionally 10:00 to 16:00

Offtake Arrangements Workstream

Date: Tuesday 28th February 2006

Venue: National Grid House, Warwick

Time: 13:00 hours

Appendix A Action Log – **UNC Offtake Arrangements 2nd December 2005**

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
OF 1001	07/09/05	3.2 Topic 004OF	draft a proposal for potential inclusion in the Offtake Communications (or other OAD subsidiary) Document on CV data for Network Planning.	Wales & West Utilities (LS)	Carry forward to Spring 06 Topic 007OF review of planning information flows
OF 1006	2/11/05	2.3 Topic 008OF	develop a paper or proposal to define and progress resolution of the Topic on Assured Offtake Pressure	National Grid NTS (PR)	Closed National Grid NTS no longer feel this is needed.
OF 1007	1/2/06	2.1 Topic 001OF	schedule Extraordinary Offtake Arrangements Workstream meeting on 15 th February near the NEC to discuss inter-transporter aspects of Enduring Offtake options.	Joint Office (DR)	Closed Meeting scheduled for 10am 15-Feb-06 at Novotel, Birmingham International
OF 1008	1/2/06	2.2 Topic 005OF	formally submit a Modification Proposal to Clarify the requirements for flows at DN Offtakes on low demand days	National Grid UKD (MF)	
OF 1009	1/2/06	2.2 Topic 005OF	Present potential adverse impact arising from low demand Day NTS offtake UNC provisions	DN reps (RCH co-ord)	
OF 1010	1/2/06	2.2 Topic 005OF	explain why low demand Day UNC provisions may still be required.	National Grid NTS (PR)	
OF 1011	1/2/06	2.3 Topic 007OF	produce draft terms of reference to examine present UNC provisions for transporter information exchange for planning and investment.	Wales & West Utilities (LS)	
OF 1012	1/2/06	2.4 Topic 008OF	Present operational expectations regarding UNC provisions for Assured Offtake Pressures	DN reps	
OF 1013	1/2/06	2.4 Topic 008OF	Check interpretation of operational obligations in respect of Assured Offtake Pressures	National Grid NTS (PR)	

*Key to abbreviations of action owners.

LS – Liz Spierling, PR – Paul Roberts, DR – Dennis Rachwal, RCH – Robert Cameron-Higgs, DN reps – Distribution Network representatives