

Offtake Arrangements Workstream Minutes

Tuesday 28th February 2006

held at National Grid House, Warwick

Attendees

John Bradley (Chair)	(JB)	Joint Office
Dennis Rachwal (Secretary)	(DR)	Joint Office
Mark Freeman	(MF)	National Grid UKD
Liz Spierling	(LS)	Wales and West Utilities
Andrew Fox	(AF)	National Grid NTS
Iain Ward	(IW)	National Grid DNCC
Paul Remer	(PRe)	National Grid UKD

1. Status Review

1.1. Minutes from Workstream Meetings of 1st, 15th and 17th February

The minutes were accepted.

1.2. Review of Outstanding Actions

MF has raised Modification Proposal 074 thereby closing Action OF1008 and actions OF 1009/1010 on low demand days were carried forward. All other outstanding actions were closed – see Appendix A Action Log.

1.3. Review of Workstream's Modification Proposals and Topics

There was nothing to report on the Modification Proposal Status Report.

The Topic Status Report was updated as follows.

- 001OF 'NTS Exit Capacity' – see item 1.4 below
- 002OF 'Distribution Interruption Reform' – MF indicated it would be appropriate to discuss this at the next meeting since discussion with Ofgem had commenced.
- 005OF 'NTS-LDZ Operational Information for low demand Days' – no change
- 007OF on 'Gas Transporters cooperation on planning and investment in networks' See item 2.1 – list of UNC provisions reviewed and next steps agreed.
- 008OF 'Assured Offtake Pressure interactions' – See item 2.2 - NTS and DN representatives had the same understanding of UNC provisions. Topic now on hold.

1.4. Update from Enduring Offtake Working Group

JB reported notable points from 24-Feb were that Ofgem had presented a paper on baselines and NG NTS had taken an action to develop a straw man expanding flexibility product for the next meeting on 8-Mar. There was interest in the substitution ratio below flat and flex however parties accepted that NG NTS would need about 2 months to develop this further. The next planned step after 8-Mar would be Ofgem publication of their Transmission Pricing Consultation Document at the end of March.

2. Discussion of Topics

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

Action OF1011 and OF1015 Closed Wales and West Utilities (LS) circulated draft terms of reference to examine present UNC provisions for transporter information exchange for planning and investment and these were refined and circulated following a teleconference on 17-Feb.

Action OF1016 Closed Wales and West (LS) and National Grid NTS (AF) produced papers setting out the relevant current provisions of the UNC (TPD and OAD sections) which were circulated on 24-Feb together with a slide showing key interface steps in the planning process.

Regarding **Action OF1017**, to date no attendees had identified any investment lead-time issues that might be addressed in this review.

In the context of the Terms of Reference, the Workstream briefly reviewed the UNC provisions papers. In discussion no major issues were identified but the following points were identified for further examination: -

- i) TPD J7.3 Short-term increase in capacity, IW observed that it was not clear what the overrun rate would be and this may be important for DN planners to consider when making Offtake Capacity applications.
- ii) TPD J2.5.5 Assured Offtake Pressure (AOP) within request for variation. Similarly IW sought clarity on whether acceptance or rejection would be for the remainder of the Gas Year in question or whether it would be temporary and what level of reliance DNs could place on this facility. Also if this clause did not facilitate an on the day request for varied AOP was their such provision elsewhere?
- iii) OAD H1 General – the use of the term consumption was appropriate and parties accepted the need for Calendar Year, Formula Year and Gas Year in order to satisfy different stakeholders in the planning process.
- iv) OAD H2.1.1 (h) and (i) were introduced by Modification 038 and there is potential confusion that this data is required in volume units whereas other data is required in energy units.
- v) OAD H Where volume data is provided the associated CV may need to be stated and the source for the CV data may need to be specified.
- vi) OAD B Connection Facilities. Some sites are owned by NG NTS but connections used by DNs (e.g. terminals and compressor sites that contain offtake connections).

The tabulation in the papers was considered to be helpful and attendees also felt that an annotated process flow diagram giving timescales and UNC references would be useful. An initial view from the Workstream was to aim towards a new Offtake Subsidiary Document to assist interpretation and application of UNC provisions.

Action OF1018 Wales and West (LS) and National Grid NTS (AF) to merge and refine the UNC provision papers.

Action OF1019 National Grid UKD (PRe) to produce an annotated planning process diagram using the paper from LS and AF.

Action OF1020 National Grid UKD (PRe) to provide sample proforma to LS and AF to review with a view to documenting one standard set for all DNs and NG NTS.

2.2. Topic 008OF Assured Offtake Pressures

Actions OF1012 and OF1013 Closed. DN and NTS representatives at this meeting had the common understanding that UNC provisions for Assured Offtake Pressures were not limited to just Peak Day and there was agreement to ensure operational colleagues were aware of this.

3. Other Business

MF requested that Inter LDZ connections should be discussed at the next Workstream meeting.

4. Date of Next Meeting

Attendees did not foresee any need to meet in April.

Offtake Arrangements Workstream

Date: Wednesday 3rd May 2006

Venue: to be confirmed

Time: to be confirmed

Appendix A Action Log – **UNC Offtake Arrangements 1st March 2006**

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 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)	Closed Mod Proposal 074 reps close out 3 rd March 2006
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)	Carried forward
OF 1010	1/2/06	2.2 Topic 005OF	explain why low demand Day UNC provisions may still be required.	National Grid NTS (PR)	Carried forward
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)	Closed Revised draft circulated after 17-Feb teleconference
OF 1012	1/2/06	2.4 Topic 008OF	Present operational expectations regarding UNC provisions for Assured Offtake Pressures	DN reps	Closed Expectation is not confined to Peak Day
OF 1013	1/2/06	2.4 Topic 008OF	Check interpretation of operational obligations in respect of Assured Offtake Pressures	National Grid NTS (PR)	Closed AF confirmed that UNC does not confirm AOP to Peak Day
OF 1014	15/2/06	1.3 Topic 001OF	Explanation of 1:4.5 substitution ratio of flow : flex capacity	National Grid NTS (NS)	Closed Slide circulated with minutes of 15-Feb
OF 1015	17/2/06	1 Topic 007OF	Refine the terms of reference for Topic 007 following 17-Feb teleconference	Joint Office (DR)	Closed Refined ToR circulated 17-Feb
OF 1016	17/2/06	1 Topic 007OF	Produce paper(s) setting out the relevant current UNC provisions	WWU (LS)& NG NTS(AF)	Closed Papers circulated 24-Feb
OF 1017	17/2/06	1 Topic 007OF	consider what (if anything) might be addressed in terms of investment lead-time	All	

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
OF 1018	28/2/06	2.1 Topic 007OF	Produce refined paper on relevant current UNC provisions.	WWU (LS)& NG NTS(AF)	
OF 1019	28/2/06	2.1 Topic 007OF	Produce an annotated planning process diagram using UNC provisions paper	NG UKD (PRe)	
OF 1020	28/2/06	2.1 Topic 007OF	Provide sample proforma for planning data exchange and consider codifying.	NG UKD (PRe)	

*Key to abbreviations of action owners.

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