

Review Group 0217 Minutes
Thursday 14 August 2008
held at Elexon, 350, Euston Road, London

Attendees

John Bradley (Chair)	(JB) Joint Office
Adam Lane	(AL) Centrica
Caroline Watson	(CW) xoserve
Chris Milne	(CM) RWE Trading
Chris Wright	(CW) Centrica
Claire Thorneywork	(CT) National Grid NTS
Dave Addison	(DA) xoserve
Jamie Walsh	(JW) E.ON UK
Paul Gallagher	(PG) National Grid NTS
Richard Fairholme	(RF) E.ON UK
Sean McGoldrick	(SM) National Grid NTS
Tim Davis (Secretary)	(TD) Joint Office

1. Review of Minutes and Actions

1.1 Minutes

The minutes of the August meeting were accepted.

1.2 Review of actions.

None.

2. Review Group Discussions

2.1 Review of Code Contingency Guidelines Document (Gemini Contingency Arrangements)

PG walked through the process maps which had been produced to help clarify the contingency provisions.

AL questioned the impact of implied negative trading and if the necessary functionality to allow for this would be available. PG agreed to check this with xoserve and confirm the position.

ACTION 004: PG to confirm the implications of implied negative trading

Under step 7 (Gas Flow Nominations & Gas Trades), PG invited views on whether four hours before the end of the gas day was the appropriate cut-off time. JW noted that, given this would be night time, staffing would be light and a longer period may be necessary – neither Shippers nor National Grid NTS were likely to be ready to deal with multiple fax transmissions. JW concluded that the issue was whether the systems came backed-up or not and, from a Shipper perspective, so long as APIs were available, there was no clear problem and Shippers would just submit data as soon as possible. For xoserve, DA felt that electronic communication was likely to be preferred although he would need to check if there was a volume problem. xoserve and NTS agreed to clarify if they would be able to accept API data under varying circumstances.

ACTION 005: PG/DA to clarify acceptability of API data under various scenarios

PG confirmed to AL that, if National Grid NTS could not access Gemini, data would be stored until it could be input to the system. National Grid NTS was looking to move to electronic data provision wherever possible, using standard format spreadsheets, which would facilitate data entry.

PG emphasised that further comments on the process diagrams and/or the associated list of procedural changes (as published on the Joint Office website) would be welcome.

ACTION 006: All to provide any additional comments on the proposed contingency arrangements to National Grid NTS

AL asked if a Shipper could trigger the contingency procedures if the problem was their system rather than a Gemini issue, and PG confirmed this was possible.

CT explained the changes National Grid NTS had made to the draft Code Contingency Guidelines Document, as published on the Joint Office website. The main aim had been to simplify and clarify the process.

RF suggested including cross references to where other related provisions could be found.

JW suggested setting up a specific incident desk rather than relying on the standard help desk if a contingency occurred – and this was accepted.

Attendees agreed that occasional desktop exercises to test the contingency procedures would be worthwhile. However, JW suggested a more extensive test of National Grid NTS's ability to deal with the contingency situation could be useful.

CT felt that Section 4 of the document, scenarios and their treatment, would be key and clearly needed to be further developed. PG specifically invited views on the scenarios suggested in 4.3 and whether any further scenarios should be added. Buyback auctions were raised, and PG confirmed that the next draft of the document would reference off-line processes to support this.

CW indicated that any move to set aside Code obligations could be fraught with difficulty and would need to be considered very carefully and probably avoided. He also asked if exit needed to be considered, which PG did not feel was a priority given the implementation timescales. However, he accepted that exit would need to be incorporated in due course.

JB invited all to provide further comments on the draft in time for incorporation in a revised document to be discussed at the November meeting

ACTION 007: All to provide any additional comments on the draft Contingency Guidelines to National Grid NTS

2.2 Contingency Scenario Development

PG presented on capacity issues, using the possibility of a Gemini failure during the QSEC auction process as a scenario.

PG invited views as to what the appropriate contingency was if it was assumed that a failure occurred on, say, day 3 of the 10 day bid window. AL suggested suspending the process and restarting it when Gemini was available. There was some debate about whether previous bids should be retained or there should be a complete restart of the auction. The view was to carry on from where you are if the Gemini restoration was relatively quick, but a fresh start would be appropriate if a significant time passed before Gemini was restored. Shippers would also need some notice that bidding was to restart. CW also suggested that abandoning the stability rule would merit consideration.

It was recognised that provisions for contingencies could usefully be incorporated in the UNC.

PG agreed to write up a process to deal with this scenario.

PG said that if the Gemini issue was when National Grid NTS was due to publish QSEC results, with the bidding process not impacted, he would prefer to delay announcing the outcome rather than using manual processes. CW questioned what would happen if bidders were looking to trigger incremental capacity release and a long delay in announcing the results could create difficulties. Would, for example, National Grid NTS use this as a reason why capacity would be physically provided later than requested – which Shippers would want to avoid.

PG also agreed to work this up and publish a proposed process.

ACTION 008: National Grid NTS to draft QSEC contingency arrangements

Turning to AMSEC, PG invited views on the appropriate process if a day were lost. He suggested sticking with days that had been processed and running the remaining days as soon as possible, with a need to look at manual processes if there was a prolonged Gemini problem.

PG agreed to produce and publish a proposed process.

ACTION 009: National Grid NTS to draft AMSEC contingency arrangements

PG said National Grid NTS was more concerned about RMTTSEC because the necessary processes would be running on a large number of days each month, as opposed to the annual AMSEC and QSEC windows – there is a high probability that any loss of Gemini will be on a day where a RMTTSEC process is running. The National Grid NTS view was that an off-line process would need to be used as a contingency – deferring for a few days was unlikely to be acceptable. CW agreed that abandoning an RMTTSEC auction was unlikely to be acceptable given the implications and timescales. DA asked if retaining the existing off-line processes as a backup was the way forward, and PG agreed this was likely to be the case but that a contingency process was needed and needed to be worked up in detail.

ACTION 010: National Grid NTS to draft RMTTSEC contingency arrangements

For DSEC, PG asked whether running just one daily process each for firm and interruptible would be sufficient, which is what National Grid NTS would like to achieve since this could be supported as a manual process. This was accepted (one WDDSEC and one day ahead DISEC each day). CW asked if the WDDSEC would count for the whole day, and PG agreed this would be appropriate.

ACTION 011: National Grid NTS to draft DSEC contingency arrangements

2.3 Identify UNC Change Requirements

JB indicated that TPD V12 would need to be amended and that all of the auction requirements would need to be reconsidered. PG offered to bring a view to the next meeting on the UNC modifications which were likely to be needed, with the requirements expected to drop out of the scenarios. Other potential areas were scheduling charges and overruns.

ACTION 012: National Grid NTS to identify UNC Modification Proposals necessary to incorporate the proposed changes to contingency arrangements

3. Diary Planning for Work Group

It was agreed to meet again following the October UK Link Committee meeting:

- 13 November 2008 11.30 am – Elexon, 350 Euston Road, London. PG agreed to bring a revised suite of scenarios to the meeting and a revised Guidelines document.
- 11 December 2008 11.30 am – Elexon, 350 Euston Road, London.

4. AOB

It was agreed that the Modification Panel should be asked for a three month extension for the Group to provide its report.

ACTION 013: Joint Office to request that Modification Panel extend the date by which the Group should report

APPENDIX A.**ACTION LOG – Review Group 0217**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0217 001	10/07/08	5.0	Members to review the Code Contingency Guidelines Document – Gemini Contingency Arrangements with a view to providing their thoughts and suggestions at the Session 2 meeting.	All members	Closed
RG0217 002	10/07/08	6.0	National Grid NTS (PG) to approach Shippers and discuss and prepare a questionnaire for issue by the Joint Office of Gas Transporters prior to the next meeting.	National Grid NTS (PG)	Closed
RG0217 003	10/07/08	6.0	National Grid NTS (PG) to continue developing and defining the various scenarios with a view to presenting them at the next meeting.	National Grid NTS (PG)	Closed
RG0217 004	09/10/08	2.1	Confirm implications of implied negative trading	National Grid NTS (PG)	
RG0217 005	09/10/08	2.1	Clarify acceptability of API data under various scenarios	National Grid NTS (PG) xoserve (DA)	
RG0217 006	09/10/08	2.1	Provide any additional comments on the proposed contingency arrangements to National Grid NTS	All	Comments to be incorporated in revised proposals for discussion at November meeting
RG0217 007	09/10/08	2.1	Provide any additional comments on the draft Contingency Guidelines to National Grid NTS	All	Comments to be incorporated in revised proposals for discussion at November meeting

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0217 008	09/10/08	2.2	Draft QSEC contingency arrangements	National Grid NTS (PG)	To be published for discussion at November meeting
RG0217 009	09/10/08	2.2	Draft AMSEC contingency arrangements	National Grid NTS (PG)	To be published for discussion at November meeting
RG0217 010	09/10/08	2.2	Draft RMTTSEC contingency arrangements	National Grid NTS (PG)	To be published for discussion at November meeting
RG0217 011	09/10/08	2.2	Draft DSEC contingency arrangements	National Grid NTS (PG)	To be published for discussion at November meeting
RG0217 012	09/10/08	2.3	Identify UNC modifications necessary to incorporate the proposed changes to contingency arrangements	National Grid NTS (PG)	To be published for discussion at November meeting
RG0217 013	09/10/08	4.0	Request that Modification Panel extend the date by which the Group should report	Joint Office (JB)	To be raised at October Panel meeting

*** Key to action owners**

PG Paul Gallagher, National Grid NTS

DA Dave Addison, xoserve

JB JohnBradley