

Transmission Workgroup Minutes
Thursday 06 August 2015
31 Homer Road, Solihull B91 3LT

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont	(LD)	Joint Office
Andrew Pearce*	(AP)	BP Gas
Charles Ruffell	(CR)	RWEST
Charles Wood*	(CW)	Dentons
Daniel McConnell*	(DM)	Chevron
David Reilly	(DR)	Ofgem
Debra Hawkin*	(DH)	TPA Consultants
Francisco Gonçalves*	(FG)	Gazprom
Gerry Hoggan*	(GH)	ScottishPower
Graham Jack*	(GJ)	Centrica
Guy Hannay-Wilson*	(GHW)	Chevron
Joseph Darby	(JD)	BG Group
Justin Goonsinghe	(JG)	National Grid NTS
Kirsten Elliott-Smith*	(KES)	Cornwall Energy
Maggie Steven	(MS)	National Grid LNG Storage
Malcolm Montgomery	(MM)	National Grid NTS
Marshall Hall*	(MHa)	Oil & Gas UK
Matthew Hatch	(MH)	National Grid NTS
Nick Wye	(NW)	Waters Wye Associates
Phil Broom*	(PB)	GDF Suez Energy
Richard Fairholme*	(RF)	E.ON
Sofia Eng*	(SE)	EDF Trading
Steve Nunnington	(SN)	Xoserve
Terry Burke*	(TB)	Statoil
Thomas Grove*	(TG)	Centrica

*via teleconference

Copies of papers are available at: <http://www.gasgovernance.co.uk/tx/060815>

1. Introduction and Status Review

LJ welcomed all to the meeting.

1.1 Approval of Minutes from the previous meeting (02 July 2015)

The minutes of the previous meeting were approved.

1.2 Ofgem Update

In this month's update, DM drew attention to the items relating to:

- Ofgem's consultation on the draft decision on National Grid Gas NTS' (NGGT) application under the RIIO-T1 Compressor Emissions uncertainty mechanism - Responses to Gas.TransmissionResponse@ofgem.gov.uk no later than 01 September 2015. CR asked if there would be an opportunity for National Grid to resubmit; DR believed there were some aspects that had not been explored and so a resubmission might be anticipated.

- Ofgem's consultation on the ex-post efficiency review on NGGT's Milford Haven pipeline project - Responses to Gas.TransmissionResponse@ofgem.gov.uk no later than 18 September 2015.
- Ofgem's consultation on TPCR4 cost reviews and RIIO- T1/GD1 uncertainty mechanisms for enhanced security upgrades - Responses no later than 01 September 2015 and to be sent to: Mick.Watson@ofgem.gov.uk.
- Ofgem's approval of Interconnector (UK)'s (IUK) modified access rules and charging methodology.
- Ofgem's decision relating to Uniform Network Code (UNC) 0501V, UNC501AV, UNC501BV and UNC501CV: Treatment of Existing Entry Capacity Rights at Bacton and the direction that Modification 0501V be made.
- The potential RIIO-T1 and GD1 mid-period review (MPR) – Timetable and next steps.

1.3 Pre Modification Discussions

1.3.1 Draft Modification - Removal of National Grid LNG Storage UNC TPD Section Z obligations and associated references

Referring back to the previous Transmission Workgroup discussions relating to the closure of the Avonmouth LNG Storage facility, MS outlined the intent and purpose of the draft modification.

CR observed that Scotia Gas Networks, transporter for the Scottish Independent Undertakings (SIUs), were unhappy with the date and asked if there was any way of recognising the adverse effects that this would have for them. Depending on whether Panel directed this modification to a Workgroup or issued for consultation, the views would either be included in the Workgroup Report or in the representations submitted by individual parties.

MS confirmed that no capacity had been booked beyond the decommissioning date; only a small amount of gas would be left for operational purposes, the eventual remainder of which would then be 'exported', with the rules included in the draft modification.

It was proposed to submit this to the August UNC Modification Panel, requesting self-governance status and immediate issue for consultation.

2. European Codes

General

There had been no changes to the Code Status Update information or the Road Map since the last meeting. Phase 2 was fully on track and National Grid NTS was now looking at Phase 3.

Referring to the Interoperability Code and the potential amendment to add the CNI Gas Quality standard, MHa asked what was the status of this proposal and what was meant by gas quality reporting. MH will refer this query to P Hobbins to confirm details.

Action TR0801: *Interoperability Code and potential amendment to add CNI Gas Quality standard* - Confirm the status of this proposal and clarify what is meant by gas quality reporting.

2.1 EU Changes to the Data Dictionary

As a consequence of EU changes there was a need to update the Data Dictionary. JG briefly summarised the changes identified and the next steps. Parties were encouraged to review the proposed changes to the UNC Data Dictionary and provide any comments to: box.gas.market.devel@nationalgrid.com by 12 August 2015. Assuming there are no

material suggested amendments, the proposed changes will then be submitted to the August 2015 UNC Committee for its approval.

Whilst noting that the Data Dictionary was located on the National Grid website, it was suggested that it would also be useful for it to be published on the Joint Office website.

Action TR0802: *UNC Data Dictionary* – Arrange for publication on the JO website.

2.2 BBL Common Units Issue: Update

MM recapped on the issue, and explained the conclusion reached by National Grid NTS, that the costs associated with the 'under-allocation' for BBL shippers will be returned all shippers via reduced SO commodity charges. Consequential effects had been identified and were outlined. It was noted that the aggregate amount of under-allocation will appear to National Grid NTS as an NTS energy imbalance and thus be captured in shrinkage - the quantities are too small for the Control Room to notice so there would be no impact on daily balancing actions. The net effect being that under-allocation reduces the prevailing quantity of shrinkage gas that National Grid NTS as Shrinkage Provider is managing. This is a temporary issue until Modification 0519 can be implemented into Gemini in April 2016 and some redistribution of costs among GB shippers was expected as a result. National Grid NTS did not currently propose to raise a modification in respect of this issue but would work with any party who believed it to be materially impacted.

NW commented that it potentially involves a material amount of money to those shippers affected, and believed it would be easily identifiable to make the correction needed to make the necessary amendments. It seemed odd that National Grid NTS was not raising a modification to rectify the recognised problem, given that it was a result of an inter-TSO problem. MH responded that the position reflected National Grid NTS' current view and he would feedback the comments made. The position could be monitored over the next few months and if the impact was material the situation could be reassessed. NW believed the problem to be fairly obvious and one of cross-subsidisation as a consequence of the TSOs' actions, and should be remedied as soon as possible. A one-off rectification/adjustment could be made at the end of the period. Bearing in mind that shippers will be forming commercial plans based on their positions, he believed that shippers would strongly support a remedy being devised. Every therm of gas brought in by BBL is under allocated and shippers may be more comfortable in knowing that a one-off redistribution will be made. FG believed only a few shippers would be affected, and commented on the cost of not setting up well at the outset, of fixing now, and of fixing later. He thought the calculation might be quite easy but the materiality was for shippers to decide. It could be more expensive for National Grid NTS to implement later rather than sooner. NW reiterated it was a clearly identified problem and should be easy to fix.

2.3 EU Tariffs Code (TAR NC) Update

MM gave a brief update on the current position. The latest version of TAR NC was published on the ACER website. The pre-comitology meeting was likely to be mid-October rather than mid-September.

C Hamilton will the present the key changes at next month's Transmission Workgroup.

2.4 EU Incremental Amendment Update

MM gave a brief update on the current position. ACER was seeking views on a number of proposed revisions. It was noted that the proposed changes to the default auction calendar would be pushing the long-term auctions to later in the year to provide more certainty on tariffs. The consultation on the revisions ends on 31 August 2015.

2.5 Phase 2 UNC Modifications - Potential Timescales

It was noted that the re-consultation on Modification 0510V closed on 06 August 2015.

2.6 Moffat Designated Arrangements

JG recapped on the Moffat physical arrangements and the contractual model, and summarised the position in respect of the Moffat Designated Arrangements document, the consultation and the process timeline. It was confirmed that all had been aligned and that all the parties involved were ready to sign.

The Moffat Designated Arrangements document will be issued for consultation on 07 August 2015. Responses should be submitted by 27 August 2015 to the Joint Office at: enquiries@gasgovernance.co.uk.

2.7 Data Exchange

JG outlined the current position. The Interoperability Code requires TSOs to implement common solutions for EU Code related data exchange, and the 'TSO to TSO' Edig@s solution for matching nominations at IPs is being delivered for 01 October 2015. The 'TSO to shipper' solution for nominations is required by 01 May 2016. The Interoperability Code provides for existing solutions to continue subject to consultation and regulatory approval and this would enable GB shippers to continue to submit nominations and receive confirmed quantities via the Gemini IX link post 01 May 2016.

There are potentially two options (B2B services or direct connection to Gemini for internet) and National Grid NTS will present its intended approach at the UK Link Committee (UKLC) teleconference meeting on Thursday 13 August 2015 (for the slides, please see <http://www.gasgovernance.co.uk/uklc/130815>). Parties were encouraged to participate in the teleconference.

The main discussions will take place at the UKLC meetings, but National Grid NTS will continue to update the Transmission Workgroup on progress.

2.8 October 2015 Implementations - Update

MH confirmed that all was on track and in line to be released on 06 September 2015. A detailed update will be provided at the next meeting.

3. Workgroups

3.1 0541/A/B - Removal of uncontrollable UNC charges at ASEPs which include sub-terminals operating on a 06.00 to 06.00 Gas Day

Minutes of this meeting are located at www.gasgovernance.co.uk/0541/060815

3.2 0546 - Reduction of the Minimum Eligible Quantity (100,000kWh) for European IP capacity

Minutes of this meeting are located at www.gasgovernance.co.uk/0546/060815

3.3 0547 - Corrections to the EID arising from implementation of Modifications 0493/0500

Minutes of this meeting are located at www.gasgovernance.co.uk/0547/060815

4. Issues

None raised.

5. Any Other Business**5.1 Funding, Governance and Ownership (FGO) of Xoserve - Update**

LJ drew attention to the update provided and published alongside these minutes.

5.2 Bacton Reallocation

MH confirmed that all parties have reapplied; the applications are being reviewed and National Grid NTS will keep everyone updated.

6. Outstanding Actions

Post meeting notes for Actions TR0701 and TR0702 had been included in the July minutes. Both actions were agreed closed.

7. Diary Planning

Agenda items (and any associated papers) for the September meeting should be submitted to the Joint Office by 25 August 2015.

The 2016 meeting dates have now been confirmed (please see below) and entered on the Joint Office Events Calendar (www.gasgovernance.co.uk/Diary).

2015

Time/Date	Location
10:00, Thursday 03 September 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 01 October 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 05 November 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 03 December 2015	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

2016

Time/Date	Location
10:00, Thursday 07 January 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 04 February 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 03 March	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road,

2016	London SW1P 2AF
10:00, Thursday 07 April 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 05 May 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 02 June 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 07 July 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 04 August 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 01 September 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 06 October 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 03 November 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF
10:00, Thursday 01 December 2016	ENA, 6 th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Action Table (06 August 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
TR0701	02/07/15	2.4	MH to clarify if Shippers can submit PRISMA based capacity bookings at D-7 for 01 November 2015.	National Grid NTS (MH)	Closed
TR0702	02/07/15	5.1	FGO - Provide a written update for publication as soon as possible.	National Grid NTS (S McGoldrick)	Closed
TR0801	06/08/15	2.0	<i>Interoperability Code and potential amendment to add CNI Gas Quality standard</i> - Confirm the status of this proposal and clarify what is meant by gas quality reporting.	National Grid NTS (MH/PH)	Pending
TR0802	06.08/15	2.1	<i>UNC Data Dictionary</i> – Arrange for publication on the JO website.	National Grid NTS (JG)	Pending