

**Extraordinary**  
**Transmission Workstream Minutes**  
**Wednesday 19th October 2005**  
**held at Elexon, 350 Euston Road, London**

**Attendees**

John Bradley (Chair)	(JB)	Joint Office of Gas Transporters
Dennis Rachwal (Secretary)	(DR)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid UKD
Barbara Vest	(BV)	Gaz de France
Clive Woodland	(CW)	Centrica
Eddie Blackburn	(EB)	National Grid NTS
Fiona Lewis	(FL)	OFGEM
Keri Flitcroft	(KF)	National Grid LNG Storage
Mick Curtis	(MC)	E=mc <sup>2</sup>
Nick Wye	(NW)	Waters and Wye Associates
Peter Bolitho	(PB)	E.ON UK
Ritchard Hewitt	(RH)	National Grid NTS
Sharif Islam	(SI)	Total
Shelley Jones	(SJ)	Statoil UK
Steve Rose	(SR)	RWE npower
Stewart Waudby	(SW)	Centrica Storage Ltd
Tim Davis	(TD)	Joint Office of Gas Transporters

**1. Purpose of Meeting**

Further to the Transmission Workstream meetings on 6-Oct-05 and 13-Oct-05, this meeting was scheduled to discuss:-

- Modification Proposal 052 'Storage Withdrawal Curtailment Trade Arrangements in an Emergency'

Additionally some parties requested short notice discussion of:-

- Modification Proposal 054a 'Modification to Codify Emergency Curtailment Quantity (ECQ) Methodology'

The consensus of the workstream was such that the latter was deferred until the Transmission Workstream meeting scheduled for 21-Oct-05. *Post meeting note: Panel requested that the Transmission Workstream meeting of 3-Nov-05 should develop a workstream report on Modification Proposals 054 and 054a such that Panel can then determine whether the Proposals should be sent for consultation.*

**2. Status Update**

Minutes from 13-Oct-05 were accepted. The three actions were closed.

**Action TR1017 Closed** EB had sent his ideas for SWCQ estimation methodology to the Proposer.

**Action TR1018 Closed** SW had also sent his ideas for SWCQ estimation methodology to the Proposer.

**Action TR1019 Closed** PB provided an update on his Proposal

### 3. 'Storage Withdrawal Curtailment Trade Arrangements in an Emergency' Modification Proposal 052

#### 3.1 Update from the Proposer

PB ran through the material circulated on 18-Oct-05 (presentation slides, Version 2.0 Revised Modification Proposal, and associated illustrative spreadsheet), emphasising that the Proposal intent was for a financial adjustment to shippers' imbalance positions.

In discussion the following points were identified for the Proposer to consider:-

- i. Supporting information for SWC Trades would not be required on the day – consensus support. The information should still be sent after the day.
- ii. Storage operators' daily notification of maximum available deliverability (as per their obligation under Storage Connection Agreements) might be used as a trigger for queries of SWCQs – in aggregate by storage facility type on the day where there is NEC curtailment, and by NEC curtailed Storage Connection Point after the day.
- iii. Manifest error of trades for Transco NTS to match may, consequent to the above, only be apparent if a shippers' aggregate SWCQ is greater than the aggregate of all the NEC curtailed "available deliverability".
- iv. Transco NTS might have reasonable endeavours obligation to match trades within one hour of notification that a SWCQ trade has been posted, with a cut off time 23:00 hours for SWCQ trade notification.
- v. The medium for transmitting SWCQ supporting information might ideally include both electronic and fax options.
- vi. Transco NTS might report to UNC Committee (UNCC) and publish SWCQ trade information in aggregate after the day and indicate if there was an apparent need for review.
- vii. Not only an SWCQ shipper, but also any other shipper might perceive the need for review. In the case of the former this may be if a trade was not matched and for the latter if there were relevant grounds relating to the smeared energy balancing cash-out.
- viii. The Proposal might facilitate triggers to identify the need for review and ensure enabling powers for review without prescribing how the review would be conducted. One view was that review should be mandatory.
- ix. If a review identified that an invalid SWCQ had been matched on the day it was not yet clear what body, mechanism or governance would be used to adjust the energy balancing cash-out.

PB, NW and others argued that the Proposal had safeguards in terms of

- a) shipper licence obligations,
- b) shipper provision of SWCQ supporting reconciliation information and Transco NTS after the day analysis,

- c) other incentives acting against excessive SWCQ trades, and
- d) opportunity for UNCC and Ofgem scrutiny after the day.

If there was any benefit for excessive SWCQs then this might be cash flow – it would depend whether review and adjustment was completed before energy balancing invoicing.

## 2.2 Review of Transmission Workstream discussions to date

With reference to section 3.2.2 of the minutes from 6-Oct-05 the workstream did not identify any points that had not otherwise been covered. For the avoidance of doubt the issue of a Gas Balancing Alert should not inhibit shippers from increasing their storage nominations and therefore potential subsequent inclusion in SWCQ.

With reference to the minutes from 13-Oct-05 the workstream did not identify any points that had not otherwise been covered. For the avoidance of doubt:-

A vi) – the Proposer now advocates that transportation nominations should not be confused with transportation input nominations e.g. the latter should be zero at any fully curtailed storage facility, but SWCQs may still be allowed.

B) iii) – the Proposer does not support any alternatives mooted to date to 30 day average SAP.

D) ii) – the Joint Office has not been notified of any alternatives to Modification Proposal 052

**Action TR1020** EON UK (PB) as Proposer to prepare an update on the proposal for Friday 21-Oct-05 workstream meeting.

## 4. Diary Planning

21-Oct-05 10:00 hrs: Extra Workstream meeting at Elexon, 350 Euston Road to include

- i. further update on Modification Proposal 052,
- ii. views for scoping paper on progressive vs. rapid emergency,
- iii. initial discussion of Modification Proposals 054 and 054a on Emergency Curtailment Quantity Methodology (as circulated 13-Oct-05 and 19-Oct-05 respectively).

Key dates for Modification Proposal 052 are as follows:

21-Oct-05 10:00 hrs: Extra Workstream meeting at Elexon, 350 Euston Road

25-Oct-05 Consultation on finalised version of Modification Proposal 052 opens

(3-Nov-05 10:00 hrs Main Workstream meeting at Elexon, 350 Euston Road)

4-Nov-05 17:00 hrs: Close out for Representations on Modification Proposal 052

10-Nov-05 Issue Final Modification Report on Modification Proposal 052

17-Nov-05 Panel consider and make recommendation on Modification Proposal 052