

Transmission Workstream Minutes
Thursday 4 August 2005
10 Old Bailey, London

Attendees

John Bradley (Chair)	(JB)	Joint Office of Gas Transporters
Dennis Rachwal (Secretary)	(DR)	Joint Office of Gas Transporters
Agnes Peterson	(AP)	ILEX
Andy Malins	(AM)	National Grid Gas Transmission
Barbara Vest	(BV)	Gaz de France
Chris Logue	(CL)	National Grid Gas Transmission
Christiana Sykes	(CS)	E.O.N. UK
Gary Barter	(GB)	Wales and West Utilities
Helen Bray	(HB)	Chemical Industries Association
James Marshall	(JM)	ILEX
John Costa	(JCo)	EdF Energy
Joy Chadwick	(JCh)	ExxonMobil
Julian Majdanski	(JM)	Joint Office of Gas Transporters
Lisa Waters	(LW)	Waterswye Associates
Liz Spierling	(LS)	Wales and West Utilities
Mark Feather	(MFe)	Ofgem
Mark Freeman	(MFr)	National Grid Gas Distribution
Mick Curtis	(MC)	E=mc ²
Mike Young	(MY)	BGT
Nigel Sisman	(NS)	National Grid Gas Transmission
Paul Roberts	(PR)	National Grid Gas Transmission
Peter Close	(PC)	National Grid Gas Distribution
Ritchard Hewitt	(RH)	National Grid Gas Transmission
Robert Cameron-Higgs	(RCH)	Northern Gas Networks
Steve Courtney	(SC)	Scotia Gas Networks
Sharif Islam	(SI)	Total Gas and Power
Shelley Jones	(SJ)	Statoil
Steve Gordon	(SG)	Scottish Power
Stuart Waudby	(SW)	Centrica Storage
Tanya Morrison	(TM)	Shell Gas Direct

Note: New Topics raised included 3 that will be progressed at the Offtake Workstream.

1. Status Review

1.1. Minutes from July 05 Workstream

The minutes were accepted with the revision that the Action on 3.1 was for TM to consider rather on Joint Office.

1.2. Review of Outstanding Actions

- NTS Exit Regime (enduring) - Actions from 5 May 2005 remain on hold. July action - TM does not wish to progress NERA/TPA presentation to Workstream at this time **July action closed**
- NTS Exit Regime – Mod Proposal 38 progressed – see item (Topic 003TR), Universal Capacity process – Action carried forward.
- EON presentation on Nomination Timetable – carried forward.
- Section Q Modification Proposal – see item (Topic 004TR)
- Gemini Implementation – NS referred to discussions and papers of NTS Operational Forum, Gemini Forum and UK Link Committee, none of which entailed Emergency Arrangements. UK Link Committee had also reached consensus on the Implementation Plan. This was accepted by the Workstream. **Action closed.**

1.3. Review of Workstream’s Modification Proposals and Topics

The Modification Status Report was updated 5 August 2005:

- 021 - rejected 29-Jul-05 see Topic 004TR below.
- 016(743) “Amendment to Nomination Timetable” – Implemented 20-Jul-05
- 013/013a(740/740a) “Amendment to Transco’s right to interrupt for supply / demand purposes” – 013a Approved 12-Jul-05 for 1-Oct-05 Implementation – Topic 001TR closed
- 011(736) Ofgem indicated on 6-July-05 it was minded to reject
- 009(733) – Approved 12-Jul-05 – Topic 002TR closed
- 006(727) Ofgem way forward letter 174/5, 25-Jul-05 – see new Topic 009TR

There was qualified Workstream consensus to recommend to Panel that 035 “Revisions to Section Q to Facilitate the Revised NEC Safety Case” should proceed to consultation – see 2 below.

The Topic Status Report was updated 5 August 2005.

- 001TR and 002TR **closed** – Mods approved
- 003TR NTS Exit Capacity – see item 3.1
- 004TR Emergency Arrangements – see items 2.1 and 3.2
- 008TR Entry Capacity – see item 3.3
- 009TR Provision of Information to Market – **new**, arising from Ofgem letter 174/5

Three other new Topics will be progressed by the Offtake Workstream.

2. Modifications for Workstream Development

2.1. UNC Modification Proposal 035 “Revisions to Section Q to Facilitate the Revised NEC Safety Case”.

Report on Actions from July

Transco NTS (RH) reported:

- a) The NEC Safety Case was sent out on 8th June to GSMR duty holders, and members of the Workstream may request the names of the addressees for their own organisations and that a copy could be made available to energywatch.
- b) The revised E/1 Procedure should be issued w/e 12th August

Transco NTS (CL) gave a presentation to provide a recap of the basis of the Mod and to provide an illustration of the [Safety Monitor (SM) linkage to Stage 1 NGSE].

Post meeting note: a number of clarifications / corrections are included in slides sent out with minutes.

TM enquired whether alerts about Safety Monitor could be broadcast to wider industry. In response to RH enquiry Workstream members expressed no preference for Excel or csv format for publication of Safety Monitor data.

The Workstream reviewed a marked up copy of Section Q of the UNC, and Transco NTS answered questions in respect revisions arising from Mod 035.

The Workstream reviewed and provided input to a Workstream report on Mod 035 (circulated with these minutes).

Two Workstream members (TM and IS) expressed a view that this process for developing a report was not desirable.

Follow on Actions arising:

- a) Request NEC to make NEC Safety Case available on a restricted access web site.
- b) Request NEC to consider more inclusive process for Safety Case development.
- c) Explore broadcast of alerts to wider industry
- d) Joint Office to complete Workstream Report on Mod 035 and circulate

3. Discussion of Topics

3.1. Topic 003TR Review of NTS Exit Capacity Arrangements

There was no discussion long-term development at this Workstream.

3.1.1. Mod 038 Exchange of Planning Information – Transco NTS led item

The Workstream were notified that, following development at the Distribution Workstream meeting on 28th July, circulation of a Workstream report, and Panel decision on 4th August, this Proposal will proceed with a five day consultation period targeted to commence 9th August.

3.1.2. Universal Capacity Reservation, Application and Allocation Process – Transco NTS led item

There was no new information following on from the 6th July Workstream meeting.

Action: Transco NTS (PR) to provide an update

3.2. Topic 004TR Emergency Arrangements

3.2.1. Revision of Emergency Cashout Arrangements

As per item 1.3, Ofgem published a 25-page letter about its rejection of Mod 021 on 29th July.

Following on from this, CS outlined a simple Urgent Proposal and rationale from EON UK to revise the emergency cashout price to the prevailing SAP. SMP was considered penal, but 30 day rolling average SAP was accepted as inadequate. NS commented that the effectiveness of the Proposal would depend on stress being known by the market. Joint Office and Ofgem confirmed they had received the Proposal, and Ofgem were considering and minded to grant urgency status although it considered (and Workstream members agreed) that any other Proposals in this area should be consulted on in parallel. MF enquired about EON UK's views about Emergency Interruption Volume and CS responded that this was accepted in principle but should be dealt with separately.

Transco NTS (RH) gave a presentation: -

- recapping on key points from Ofgem's letter,
- outlining critical improvements from Mod 021 Proposal,
- outlining of an "Emergency Curtailment Quantity" (ECQ) process, and
- continuing to advocate SMP buy and SAP dual price emergency cashout
- intention to raise an Urgent Mod with consultation over August for implementation this winter

In discussion:-

- i. Views were that the potential ECQ calculation process should use prevailing UNC gas nominations in preference to % peak day of SOQ.
- ii. SI expressed concern that ECQ for a multiple day NGSE seems to move away from daily balancing.
- iii. There is a need for clarity for any ECQ mechanism such that parties could identify the relevant prices, interactions between consumer, shipper and transporter interruption notices and the Failure to Interrupt process, and shipper notification of Firm Load Shedding.
- iv. Inclusion or otherwise of DMAs was debated for ECQ, bearing in mind DMAs are numerous, comprise relatively small aggregate volume, but are not protected from isolation by the Safety Monitor.
- v. Ofgem's concerns about Mod 021 legal text need for definition of proposed EIV calculation was acknowledged.
- vi. On marginal cashout, there was concern about the impact on shippers if they were unable to deliver and there was potential for large windfalls in the event of large supply loss. However Transco NTS argued that shippers could address this in their risk management strategy.
- vii. The holiday month of August is not ideal for debating developments of this nature. However the industry needs to be prepared for what is forecast as an impending tight supply demand winter.

Action Joint Office to convene and notify an Extraordinary session of the Transmission Workstream for 1.00 pm Thursday 11th August to facilitate discussion of the way forward.

3.2.2. Mod 035 Section Q Emergencies

See 2.1 above.

3.3. Topic 008TR Entry Capacity

The Workstream was notified that Panel voted unanimously to recommend implementation of Proposal 030 to extend the QSEC timetable for 2005 and if implemented the auctions could take place in September or between mid October and December.

Final Mod Reports for Urgent Proposals 036 and 037 have been sent to Panel for consideration and recommendation on 8th August.

Post Meeting Note: Panel did not recommend implementation of Mod 036. For Urgent Mod 037 Transco NTS indicated its intention to clarify. In the circumstances Transco NTS agreed to withdraw Urgent Mod 037 and the clarification will be submitted as a new Urgent Mod Proposal and include in the Extraordinary Transmission Workstream meeting on 11th August.

3.4. New Topic: Provision of Interruption Information by DNOs to Transco NTS

Transco NTS (AM) gave a presentation to explain the rationale of the draft Mod Proposal that was circulated with the agenda on 28th July and confirmed that the information is used in practice.

There was a consensus to recommend to Panel that a Proposal derived from this draft should proceed to direct to consultation. The only issue identified relates to the cost to DNOs of providing this information, but this need not delay consultation.

Action: DNOs and Transco NTS to determine incremental costs for implementation.

Action: Joint Office to include this in the Topics report for the Offtake Workstream.

3.5. New Topic: CV Data for Network Planning

This topic was introduced as arising from discussions of Mod 038. CV data is provided by Transco NTS to DNOs in July and October and Transco NTS (PR) presented the bases of these. The merits and de-merits of which one to use and the timescales for NTS and DNO planning processes were discussed but the Workstream did not arrive at a conclusion.

Action: Joint Office to include this topic in the agenda for an Offtake Workstream meeting.

3.6. New Topic: NTS-LDZ Operational Information for Low Demand Days

Transco Distribution (PC) expressed a view that legal text in the Offtake Arrangements Document for Low Demand Days (OAD, I 2.5.2) may need clarification.

Action: Joint Office to include this topic in the agenda for an Offtake Workstream meeting.

4. Diary Planning

Transmission Workstream

Date: Thursday 11 August 2005 – Topic 003TR Emergency Cash Out element

Start Time: 1.30pm

Venue: 10 Old Bailey

Date: Thursday 8 September 2005

Start Time: 10:00 am

Venue: 10 Old Bailey

Offtake Workstream

Date: Wednesday 7 September 2005

Start Time: 10:00 am

Venue: near Birmingham International Airport – detail to be confirmed