

**Extraordinary  
Transmission Workstream Minutes  
Friday 21st October 2005  
held at Elexon, 350 Euston Road, London**

**Attendees**

John Bradley (Chair)	(JB)	Joint Office
Dennis Rachwal (Secretary)	(DR)	Joint Office
Rachel Turner	(RT)	Centrica
Eddie Blackburn	(EB)	National Grid NTS
Fiona Lewis	(FL)	OFGEM
Mick Curtis	(MC)	E=mc <sup>2</sup>
Peter Bolitho	(PB)	E.ON UK
Rekha Patel	(RP)	ConnocoPhillips
Sharif Islam	(SI)	Total
Shelley Jones	(SJ)	Statoil UK
Tim Davis (pm only)	(TD)	Joint Office

**1. Purpose of Meeting**

Further to the Transmission Workstream meetings on 6-Oct-05, 13-Oct-05, and 19-Oct-05 this meeting was scheduled to discuss: -

- Modification Proposal 052 'Storage Withdrawal Curtailment Trade Arrangements in an Emergency' – concluding discussions before consultation
- Progressive vs rapid emergencies – views for scoping paper
- Modification Proposals 054/054a 'Emergency Curtailment Quantity (ECQ) Methodology Statement' / 'Modification to Codify Emergency Curtailment Quantity (ECQ) Methodology – initial discussions

**2. Status Update**

Minutes from 19-Oct-05 were accepted.

**Action TR1020 Closed** PB provided further update on Mod Proposal 052

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

PB tabled a revised draft of Modification Proposal that was discussed to identify the need for drafting refinements. Also the following points of clarification were recorded: -

- i. For the purposes of SWC Trades the physical stock at the start of an NGSE would be used for calculating "virtual depletion" of storage stock – even if there were more than one NGSE in a winter.
- ii. SWCQ on the first day of an NGSE should be based on the prevailing input nomination less the best estimates of the allocations from storage for the Day.

- iii. If a post NGSE review requires reconciliation this should be carried out after the Entry Close-out Date (M+15), where M is the month in which the NGSE ceased.

There was consensus from attendees of this workstream meeting that, subject to the proposer taking satisfactory account of the drafting matters raised, the proposal was suitable for consultation.

**Action TR1021** EON UK (PB) as Proposer to finalise Modification Proposal 052 for consultation to commence Tuesday 25-Oct-05.

#### 4. Progressive vs Rapid Emergencies – views for scoping paper

Further to Ofgem’s decision letter on Modification Proposal 044 (Mod 044) and discussion at Transmission Workstream on 6-Oct-05 SI sought view from the workstream to assist his assigned action to develop a scoping paper on progressive vs rapid emergencies.

SI posed the question as to whether the arrangements Mod 044 were appropriate for “rapid” emergencies.

Before addressing this, the workstream discussed characteristics and potential definition of progressive and rapid emergencies.

i) What is a “progressive emergency”?

- there is time available for market participants to respond to the situation
- Gas Balancing Alert (GBA) issued - as outlined and undergoing development from 6-Oct-05

ii) What is a “rapid emergency”?

- For a suitably designed GBA – a Gas Day where a NGSE is declared and no GBA had been issued the previous Gas Day.

iii) What is and should be the design of the GBA?

The background was Ofgem’s Demand-Side Working Group where consumers might be willing to interrupt voluntarily rather than under the direction of the NEC in a NGSE. EB reiterated the presentation given on 6-Oct-05 with a potential revision that there might be a midnight GBA in addition to a 13:00/14:00 GBA. In discussion: -

- should the GBA trigger take account of known supply unavailability as well as the assumed unavailability as set out in the Winter Operations Report and known demand response?
- would it be beneficial for the end goal if the System Operator had discretion for triggering a GBA, taking account of prevailing circumstances?

iv) What should cash-out prices be in a “rapid” emergency?

- should ECQ process apply?
- what should the cash-out price be on D1?
  - 30 day SAP?
  - prevailing SAP?
  - SMP buy?
  - a hub price?

There was consensus that this matter should be put forward to Ofgem’s Cash-out Review Working Group.

## 5. **Emergency Curtailment Quantity (ECQ) Methodology, Modification Proposals 54 and 54a – initial discussions**

JB reported that Panel considered Mod Proposal 054 was ready for consultation, but Mod Proposal 054a required development. Panel requested discussion at the main Transmission Workstream meeting on 3-Nov-05 with a to view holding a Panel teleconference on 10-Nov-05 to consider whether the proposals were sufficiently developed for consultation.

In discussion it was noted that National Grid had brought Mod 054 forward in response to requests to provide formal governance for the ECQ methodology whereby transporters may propose revision and submit proposals to the UNC Committee for majority determination. EON UK proposed Mod 054a to seek alternative governance arrangements and to amend the ECQ methodology from that circulated 30-Sept-05. In EON UK's view this amendment should restore the methodology outlined by Transco NTS in August 2005. The alternative governance proposed was inclusion of the methodology within the UNC and therefore subject to UNC Modification Rules.

**Action TR1022** Joint Office to publish the Uniform ECQ Methodology on its web site ([www.gasgovernance.com](http://www.gasgovernance.com)).

**Action TR1023** National Grid to explain to the workstream on 3-Nov-05 the rationale for Mod 054 in the context of Mod 054a and any revision if it wishes.

**Action TR1024** EON UK to explain to the workstream the rationale for Mod 054a in the context of Mod 054 and, as necessary, develop its proposal such that it would be suitable for consultation in parallel to Mod 054.

## 4. **Diary Planning**

3-Nov-05 **09:30 hrs** Transmission Workstream meeting at Elexon, 350 Euston Road

Note this is brought forward by half an hour to minimise the overlap with another industry meeting that is scheduled for 3-Nov-05.

10-Nov-05 potential Panel teleconference to determine whether Mod 054a can be sent for consultation with Mod 054 in parallel.