

Offtake Arrangements Workstream Minutes **Wednesday 7 September 2005** **Crowne Plaza, Birmingham, NEC**

Attendees

John Bradley (Chair)	(JB)	Joint Office of Gas Transporters
Dennis Rachwal (Secretary)	(DR)	Joint Office of Gas Transporters
Steve Featherstone	(SF)	Scotia Gas Networks
Brian Stoneman	(BS)	Northern Gas Networks
Liz Spierling	(LS)	Wales and West Utilities
Paul Roberts	(PR)	National Grid Gas Transmission
Peter Close	(PC)	National Grid Gas Distribution
Robert Cameron-Higgs	(RCH)	Northern Gas Networks
Gary Barter	(GB)	Wales and West Utilities
Alan Raper	(AR)	National Grid Gas Distribution
Dave Mitchell	(DM)	National Grid Gas Transmission
Anne Young	(AY)	National Grid Gas Distribution
Andrew Fox	(AF)	National Grid Gas Transmission

1. Status Review

1.1. Minutes from May 05 Workstream Meeting

The minutes were accepted.

1.2. Review of Outstanding Actions

- A list of Subject Matter Experts (SMEs) is available on Joint Office web site. **Action closed.**
- Panel considered but declined to set out terms of reference for the Offtake Arrangements Workstream. **Action Closed.** See also item 4.0

1.3. Review of Workstream's Modification Proposals and Topics

- 045 "Provision of Available Interruption Information" Reps Close Out 12-Sept-05.

On the question of implementation costs, AY of National Grid Distribution Network Control Centre (DNCC) reported that whilst for winter 05/06 information is available to Transmission Control Centre the system displaying the information would not be available for subsequent winters. In response to one DN request a simple systems solution is under investigation. SF and RCH indicated they were eager to adopt least cost solutions for implementation. Implementation might also require adjustment of the Offtake Communication Document.

- 046 "Extension of the Sunset Clauses for Registration of Capacity at NTS Exit Points" Reps Close Out 12-Sept-05 – see Topic 001OF and item 3.1

The Topic Status Report was updated 9 September 2005.

Two new Topics were raised.

- 006OF Role of Offtake Committee – see item 3.4
- 007OF GT cooperation on planning and investment in networks – see item 3.5

2. Modifications for Workstream Development

No formal development work.

3. Discussion of Topics

3.1. Topic 001OF NTS Exit Capacity Reform – Interim – Mod 046

Further to Transmission Workstream discussions, Transco NTS (PR) explained that Mod 046 required an associated Distribution Network (DN) Advanced Reservation of Capacity Agreement (ARCA). DNs gave the following feedback:-

- i. DN ARCAs should only be required for specific (rather than general) demand growth or for requirements arising from changes to DN network operation.
- ii. demand forecasts by offtake could be separated between specific and general load growth if required by Transco NTS.
- iii. Parent Company Security seems inappropriate for large licensed gas transporters that have other broad obligations to demonstrate credit worthiness.

Transco NTS encouraged attendees to submit written representations on the Modification Proposal, the IExCR, the SC4B statement and the ARCAs. (Such representations should consider the intent of an integrated package whilst recognising the nature of each element).

Action Transco NTS (PR) to finalise and launch ARCA consultation with a Reps Close out date of 22-Sept-05.

3.2. Topic 004OF CV Data for Network Planning

Further to the presentation to the Transmission Workstream meeting of 4-Aug-05, Transco NTS (PR) reiterated there was no significant latitude as to when formal CV forecasts could be produced – i.e. July and October and suggested that DNs needed to make their own commercial decisions as to which data to use.

In discussion:-

- i) DNs felt there should be an industry standard on which set of CV data to use for network planning and that for July Offtake capacity applications CV data from the previous October CV should be used. In terms of investment projects, July data could be used as a sensitivity check. DNs were seeking comfort that Ofgem would accept the basis of their investment decisions.
- ii) SF suggested there could be ad hoc influences to CV arising e.g. from LNG importation coming on stream and that CV data might be examined at other times, e.g. immediately after the winter period. PR pointed out that CV data is already published on Transco Information Exchange web site and this data might meet DN needs.

Action: LS to draft a proposal for potential inclusion in the Offtake Communications (or other OAD subsidiary) Document for presentation to the Offtake Committee.

3.3. Topic 005OF NTS-LDZ Operational Information for Low Demand Days.

Transco DN (PC) lead discussion on the paper circulated on 6-Sept-05 “Clarification of requirement for flows at DN Offtakes on low demand days”. In essence the current text

of Offtake Agreements Document (OAD) I 2.5.2 does not recognise that pressure controlled DN offtakes cannot flow evenly on low demand days, whereas DNs can more readily offtake evenly across an LDZ aggregate of offtakes. Workstream members indicated support for the paper and for consultation to proceed on a suitably detailed formal Modification Proposal.

Action Transco DN (PC) to raise Modification Proposal and request October Panel to send it direct to consultation.

3.4. new Topic 006OF Role of Offtake Committee – ref OAD N8

During discussion of Mod 045 it emerged that implementation may require changes to Offtake Subsidiary Documents and/or agreement on other matters. Some parties felt that the scope of the Offtake Committee, as presently defined in OAD N8, may not be sufficiently broad to address implementation of all UNC Modifications.

Action Transco DN presentation at next Workstream

3.5. new Topic 007OF Gas Transporter Cooperation on planning and investment in networks

During discussion of Mod 046 and Topic 004OF it emerged that the end-to-end process of inter-transporter network planning may need to be reviewed in terms of adequacy and suitability of UNC provisions. Another element to consider is investment lead-time (reference “Note to Industry on Investment Lead Times”, circulated 5-Sept-05).

4. Other Business

Whilst Panel had chosen not to define Terms of Reference for the Offtake Arrangements Workstream, some parties felt it would be helpful and the Panel should be asked to consider the following statement.

The Offtake Arrangements Workstream will provide an open forum under the Chairman's Guidelines to primarily address inter-transporter Topics that might result in changes to the UNC.

Action Joint Office to seek approval of this statement by Panel.

5. Schedule of Future Meetings

Date: Wednesday 5 October 2005

Start Time: 10:00 am (with follow on meeting of Offtake Committee)

Venue: 31 Homer Road, Solihull B91 3LT

Date: Wednesday 2 November 2005

Venue: Solihull – detail to be confirmed

Date: Wednesday 30 November 2005

Venue: Solihull – detail to be confirmed