

# Gas Operational Forum

15th April 2009 - Radisson Grafton

## Agenda

1. Introduction
2. Matters Arising
3. SMPS Compliance Reporting
4. Operational Overview
5. Winter Overview
6. Market Information Provision Initiative
7. APX Gas UK Update
8. OFGEM Update
9. Gemini Update
10. UNC Modification Proposals
11. Gemini Contingency
12. Maintenance Update

Paul Gallagher	National Grid	James Crump	Ofgem
Nolan Robertson	National Grid	James Smith	EDF Energy
Nav Dosanjh	National Grid	John Bradley	Joint Office
Melissa Albray	National Grid	John Farthing	APX Gas UK
Barrie Bowen	National Grid	John Marquiss	RWE
Anita Murray	Sempra Energy Europe	Kamila Gapinska	Scotia Gas Networks
Anthony Phillips	Total Gas & Power Ltd	Michelle Webley	Star Energy
Ben McEvoy	Cargill PLC	Robert Smith	Xoserve
Dene Williams	Xoserve	Stuart Wing	Shell Energy Trading
Dylan King	ConocoPhillips	Therese Simberg	APX Gas UK
Elizabeth Casey	Citigroup Global Markets	Thomas Jesshop	ConocoPhillips
Gareth Roberts	Macquarie	Xavier Jacques	Essent

# Gas Operational Forum Presenters



**Paul Gallagher**

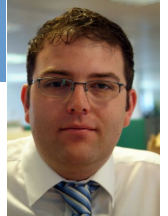


01926 654109



paul.gallagher@uk.ngrid.com

**Nolan Robertson**



01926 654047



nolan.robertson@uk.ngrid.com



**Therese Simberg**



0207 841 5675



t.simberg@apxgroup.com

**James Crump**



0207 901 7137



james.crump@ofgem.gov.uk

No picture available

**Dene Williams**



0121 623 2308



dene.r.williams@xoserve.com

**John Bradley**



0121 623 2108



john.bradley@gasgovernance.com

# Gas Operational Forum Minutes

## 1. Introduction

Paul Gallagher opened and welcomed everyone to the Gas Operational Forum. Paul also went through the Health and Safety information.

## 2. Matters Arising

There were no matters arising from the previous meeting in March 2009.

## 3. SMPS Compliance Reporting

This is a report on National Grid's NTS compliance with the System Management Principles Statement. This statement outlines the broad framework within which National Grid NTS will make system management decisions. Performance is monitored and assessed by both internal and independent external audits. The SMPS is published on the National Grid website:

<http://www.nationalgrid.com/uk/Gas/OperationalInfo/operationaldocuments/ProcurementSystemManagementServicesStatementsReports/>

The compliance report for March 2009 was presented by Nolan Robertson.

There were 22 actions in total during March 2009. This was lower than last year. There were 8 buy actions and 14 sell actions. There were no material or non-material breaches.

## 4. Operational Overview

Nolan Robertson presented the Operational Overview. The presentation can be found at <http://www.nationalgrid.com/uk/Gas/OperationalInfo/operationsforum/>, a summary of which is below:

### **Weather**

- Composite Weather Variables for March 2009 were generally at or above Seasonal Normal levels, and the Mean CWV for March 2009 was the 5th warmest March in the last 10 years.
- March 2009 was generally a sunny, dry month, provisionally it was the 3rd sunniest March over the UK since records began, and some areas saw only 50% of their average rainfall for March during March 2009.

### **Demand**

- Demands have generally been at or below Seasonal Normal levels throughout March 2009, and without injection into storage for most of March the Demand levels would have been even lower.

### **Supply and Storage**

## 4. Operational Overview (Continued)

- Supply patterns were as would be expected given the Demand scenarios seen throughout March. There was very little need for withdrawals from Storage throughout March apart from some days during the 1st 2 weeks of the month.
- Long and Medium Range storage stocks are now at higher positions than they were at during March 2008. Short Range Storage stocks have not yet begun refilling.

### **Market and Prices**

- System Prices have generally been between 30-35 p/therm throughout March 2009.
- National Grid were a net seller on the OCM during March 2009, following the same pattern as March 2008, at similar volumes.

## 5. Winter Overview

- In terms of Weather and temperatures, Winter 2008/2009 was an average winter when compared to the weather history (of 81 years).
- Peak Demand for Winter 2008/2009 (443.10 mcm) was higher than the peak demand for the previous 3 years, but due to the periods of lower than normal demand on average Winter 2008/2009 Demand was not remarkable.
- The IUK Interconnector at Bacton was a Demand on the NTS for most of the winter.
- During the same period, heavy Demands led to withdrawals from Short Range Storage that depleted stocks at this Storage type to within 2 days of Storage Monitor levels.
- UKCS, Norwegian and BBL flows have been consistent supplies to the NTS throughout the winter, and LNG Imports (at Isle of Grain, particularly after the commissioning of Isle Of Grain NTS2 entry point) have also helped to meet Demands during the cold spells.

## 6. Market Information Provision Initiative

Nolan Robertson presented on the Market Information Provision Initiative (MIPI).

Phase 2 of MIPI will be released later this year with an anticipated 'Go Live' date the 1st week of November 2009. The requirements gathering phase is complete and we are currently in the design stage. Changes are being made to the website in order to allow greater flexibility of the use of data items and increased availability of data. Allowing users to use data to meet their requirements.

The presentation can be found on the below link which highlights recent changes/updates which have been made on the MIPI website:

<http://www.nationalgrid.com/uk/Gas/OperationalInfo/operationsforum/>

If you have any requests or would like further information please contact the MIPI helpline on 01926 65 6474 or email [Sysop.centre.reporting@uk.ngrid.com](mailto:Sysop.centre.reporting@uk.ngrid.com).

## 7. APX Gas UK Update

The APX Gas UK Update was presented by Therese Simberg. A total of 416m therms were traded in February 2009. The highest volume was on the 15th February and the lowest on the 20th February. The average daily volume traded in February 2009 was just under 15 m therms.

March 2009 volumes were also good. The average daily volume traded in March was also just under 15 m therms. The lowest volume was on the 27th March and the highest two days after on the 29th. Over the two months National Grid held 5.2% of the share of total volume of trades.

Therese explained that Net nominations are to be implemented in May 2009.

## 8. Ofgem Update

James Crump presented an update from Ofgem.

Consultations for the NGET and NGG SO incentive schemes closed on the 27th March 2009. Six responses were received from industry participants.

Licence modifications went live on the 1st April 2009 by National Grid.

SO incentive details available on the below link:

<http://www.nationalgrid.com/uk/Gas/soincentives>

## 9. Gemini Update

Dene Williams presented an update on Gemini.

There were batch performance issues on the 13th March. The root cause is RCA pending.

Disaster Recovery Testing service outage is on the 18th April (4:15am to 11:30am) and 19th April (4am to 12 noon). There will be no access for Shippers during this time. ANS will be used to provide updates.

Following the approval of Mod 0187A, system changes have been planned to the Entry Capacity component of Gemini. The COR1072 project to develop a system solution and minimise the need for offline processes is currently in the UAT phase, which is on target to be completed by the 24th April 2009. Implementation is scheduled for the 17th May 2009. A notification will be sent to Shippers if the contingency implementation of 31st May 2009 is to be used.

## 10. UNC Modification Proposals

Updates on the mod's were presented by John Bradley as below:

### New Proposals

Mod 0249 - Introduction of an Enduring Annual NTS Exit (Flat) Capacity Invitation Letter

Mod 0250 - Introduction of the Code Contingency Guidelines Document

Review 0251 - Review of the Determination of Daily Calorific Values

### Proposal with Workstream

Mod 0246 - Quarterly NTS Entry Capacity User Commitment

### Proposal with Ofgem

Mod 0230 - Amendment to QSEC and AMSEC Auction Timetables

Mod 0230AV - Amendment to QSEC and AMSEC Auction Timetables

Mod 0233/0233V - Changes to Outstanding Energy Balancing Indebtedness Calculation

### Review Proposals

Review 0217 - Gemini Code Contingency Arrangements

Review 0221 - Review of Entry Capacity and the Appropriate Allocation of Financial Risk

### Implemented Proposals

Mod 0239 - Reinstatement of NTS Interruption

Mod 0241 - Delaying the implementation of the Ad-hoc application principle of the enduring offtake arrangements

### Rejected Proposal

Mod 0243/0243V - Amendment to the process for initialisation of Enduring NTS Exit (Flat) Capacity at the Moffat NTS Exit Point.

Please find further information on the following link:

<http://www.gasgovernance.com/>

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## 11. Gemini Contingency

Paul Gallagher presented on the Introduction of the Gemini Code Contingency Guidelines Document.

The unplanned Gemini system outage in October 2007 highlighted the need to review the existing UNC Code Contingency arrangements. As a result, Review Group 0217 'Gemini Code Contingency Arrangements' was initiated in July 2008.

Review group recommended the introduction of 'Code Contingency Guidelines Document'. Document details processes and procedures (communications) in the event of partial or total failure of UK Link.

To take into account 0217 Review Group recommendations, Modification Proposal 0250 has been drafted and sent to the UNC Modification Panel with a recommendation that it proceeds to consultation.

The new Contingency Guidelines will be published via the Joint Office website. It is also proposed that the future publication of the UK Link Manual will be through the Joint Office website instead of the Xoserve website.

## 12. Maintenance Notices Update

The maintenance notices update was presented by Paul Gallagher.

The final maintenance programme for 2009 has now been published.

The plan can be found on the below link:

<http://www.nationalgrid.com/uk/Gas/OperationalInfo/maintenance>

No questions were raised at the forum for Paul regarding maintenance notices. If there are any questions you wish to raise please direct them to Nav Dosanjh at [Gasoperations.Shipperliaison@uk.ngrid.com](mailto:Gasoperations.Shipperliaison@uk.ngrid.com)

## 13. Any Other Business

No issues/topics raised.

**Date of Next Meeting:  
10th June 2009 at The Radisson Grafton Hotel**