

## **Gas Operational Forum**

**10:30 – 12:30  
9<sup>th</sup> January 2008  
Elexon, Euston Road, London**

### **Attended**

Paul Green	National Grid
Paul Youngman	National Grid
Lesley Ramsey	National Grid
Sarah Magee	National Grid
Imran Chaudry	APX
Louis Hems	APX
Ben Stuart	Barclays Capital
Emma Hayes	BG International Ltd
Craig Purdie	Centrica Storage
Michael Doherty	Centrica
Mike Maddox	Centrica
Doug Hazlewood	Citigroup
Thomas Jesshop	Conoco Philips
Anton Van-Heesewijk	Deutsche Bank
Stijn Taillieu	Distrigas
Francesca Di Cesare	ENI
Jamie Walsh	E-ON UK
Gina Pitsivoris	Gazprom
Tracey Ryan	Gazprom
Joel Viala	Glencore Energy UK Ltd

David Hutchinson	Hetco
Scott Keen	Intergen
Andrew Drummond	International Power
Stephen Parle	J Aron
Ahmed Al-Ruhaimi	Merrill Lynch
James Crump	Ofgem
James Cornfield	RWE
John Marquiss	RWE
Sam Maidment	BG International Ltd
Saima Chaudry	Sempra Trading
Stuart Wing	Shell Energy Trading
Tony Brandi	Statoil
Sam Parmar	Statoil Hydro
Mike Vincent	UBS
Neil Bashford	Vitol
John Bradley	xoserve
Richard Griffiths	xoserve

### **1. Introduction**

Paul Green opened and welcomed everyone to the Gas Operational Forum.

### **2. Matters Arising**

There were no matters arising.

### **3. SMPS Compliance Reporting**

The compliance report for December 2007 was presented by Paul Youngman.

There was no material or non-material breaches during December, and throughout 2007.

#### 4. Regime Performance

The regime performance for November 2007 was presented by Paul Youngman.

- 4.1. **Energy** – Invoices have been issued, and balanced for November. The number of NBP trades has been approximately 30 times the actual delivery. Balancing costs for period 1<sup>st</sup> November 2007 to 30<sup>th</sup> November 2007 were a net cost to neutrality of £0.03m (0.0044p/therm of throughput).
- 4.2. **Capacity** – The percentage of revenue from overruns has increased greatly through November 2007. There were no constraints, and there were no buy back days.

#### 5. APX Gas Ltd Update

An update was presented by Louis Hems for December 2007.

During this time there was an average of 151 trades per day, of which National Grid held a 9% share. The number of trades has decreased since November 2007, however, the number of members have increased to 74.

#### 6. OFGEM Update

James Crump had no updates for the Operational Forum.

#### 7. Gemini Update

An update was presented by Richard Griffiths which covered recent outages/incidents, the Gemini Oracle software upgrades and the Gemini Summer 2008 release.

The various outages and incidents have been analysed and were summarised in the forum. The dates covered are as below:

- 11<sup>th</sup> November 2007
- 12<sup>th</sup> November 2007
- 22<sup>nd</sup> November 2007
- 17<sup>th</sup>/18<sup>th</sup> December 2007
- 20<sup>th</sup> December 2007

The forum was updated on the progress of the Gemini Oracle software upgrades, and the lessons learnt. The two primary causes of problems were identified as Application Code Construct and API Error. The Application Code Construct was associated with high volume concurrent usage of same transaction types which was fixed on the 23<sup>rd</sup> December 2007. The API Error was associated with saturation usage displaying a “memory leakage” which builds up over time, eventually causing a loss of service.

The Gemini Summer 2008 Release is planned to be implemented on the 17<sup>th</sup> August 2008. Representation will be made at the February 2008 UK Link Committee meeting with approval being sought in March 2008. The forum will be updated as necessary.

#### 8. UNC Modification Proposals

An update was presented by John Bradley

#### 9. Monthly Operational Update

The monthly operational update for December 2007 was presented by Paul Youngman.

Gas demands rose during the beginning of December and then dropped during the Christmas period, which injected some storage. The Import and Storage Assessment is in line with the Winter Consultation, although IUK is slightly down on the forecast. The high gas prices in December ensured that the high swing fields were utilised. The Supply Assumptions are again in line with the Winter Consultation. Milford Haven has now been withdrawn from the equation.

Monthly updates of all the graphs and tables can be found on the National Grid website on the first Wednesday of the month:

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

## 10. Scaleback

An explanation behind recent Scaleback's of Interruptible Capacity Right was presented by Paul Youngman.

Scalebacks, buy backs and TFAs are all capacity management measures used to help maximise input flows into Aggregate System Entry Points without exceeding maximum permitted safe operating pressures of the pipeline or other NTS assets. The scaleback of interruptible capacity rights is typically the first measure to be invoked where flows are approaching maximum capability. Partial scaleback of interruptible capacity rights, or full interruption of all interruptible rights are only ever issued to ensure that firm capacity rights to deliver gas into an ASEP can be honoured. Interruption of rights may occur directly at constrained ASEPs or indirectly at ASEPs whose flows interact with other ASEPs. A Terminal Flow Advice (TFA) is issued to connected system operators when actual or notified rates of entry would cause the NTS to breach its Maximum Permitted Pipeline Operating Pressure (MPOP).

The various scalebacks during December and the beginning of January have since been analysed and were summarised in the forum. The dates covered are as below:

- 14<sup>th</sup> December 2007
- 17<sup>th</sup> December 2007
- 19<sup>th</sup> December 2007
- 4<sup>th</sup> January 2008

Craig Purdie (Centrica Storage) asked why interruptible capacity at Easington on the 14<sup>th</sup> December 2007 was reduced. Paul Green (National Grid) explained the reasons behind this. Paul also explained that every scaleback that takes place and all subsequent actions are investigated, and any lessons learnt.

## 11. Flow Variations

Paul Youngman presented the flow variations presentation following requests at the Transmission Workstream on the 13<sup>th</sup> December 2007, which was presented by Martin Watson. The presentation summarised the flow variations at Easington for December 2007.

## 12. Differences Between OCM Title Trades and Physical/Locational Trades

As National Grid rarely trades in APX's OCM Locational and Physical markets, it was felt a refresher of the process would be appropriate.

An explanation of the differences between title trades and physical/locational trades was presented by Lesley Ramsey.

There are three markets within the OCM - Title, Locational and Physical.

Most trading carried out by GNCC as the “residual balancer” is within the Title Market. No action within Gemini is required by the Shipper as all accepted title trades appear on the Gemini ‘renomination screen’ and the ‘Shipper Balance’ screen via an automated process.

The Locational and Physical Market may be used to alleviate specific locational balancing issues and as a direct result of shipper’s trading in these market sectors there has to be a change in gas flows at the relevant input/output point on the NTS. Shippers with trades accepted within these markets have a contractual responsibility to make a flow rate change and to reflect this in the Gemini accounting system. This can be done by confirming the renomination on the “maintain OCM renominations” screen which is found under the OCM drop down menu within Gemini.

Once this renomination is confirmed it can be viewed on the Gemini renomination screen and will have an OC ( on the day commodity ) flag against it and also on the shipper balance screen as OCM physical input or output depending on whether buy or sell. If the renomination is not confirmed within 60 minutes there is a PRI (Physical Renomination Incentive) charge. The difference between the locational and physical markets is the need to specify the NTS location of the flow rate either before or after the trade has been offered. Physical market transactions don’t require pre-notification of the location and rely on the shipper notifying to Gemini after the transaction has been accepted; Whereas the locational market requires the location to be input to the APX system before posting the trade and confirming this in Gemini thereafter.

### **13. Any Other Business**

There were no queries or issues raised.

**Next Meeting:** 10.30am on Wed 13<sup>th</sup> Feb 2008 at the Radisson Grafton Hotel, 130 Tottenham Court Road