

Gas Operational Forum

**10:30 – 12:30
13th February 2008**

Radisson Grafton, 130 Tottenham Court Road, London

Attended

Paul Green	National Grid
Paul Youngman	National Grid
Graham Harvey	National Grid
Paul Gallagher	National Grid
Sarah Magee	National Grid
Andrew Wills	EDF Energy
Anton Van-Heesewijk	Deutsche Bank
Ben Stuart	Barcap
Catriona Davey	APX
Christoph Wollman	Vattenfall Trading Services
Craig Purdie	Centrica Storage
Daniel Ellenbogen	Centrica Storage
Delphine Pihourquet	ENI
Doug Hazlewood	Citigroup
Gareth Roberts	Macquarie Bank
Graeme Beveridge	Vattenfall Trading Services
Heather O'Malley	ENI

Henk Barten	Essent Netherlands
J Harris	UBS
James Crump	Ofgem
Joel Viala	Glencore
John Bradley	Joint Office
John Marquise	RWE
Keith Stanton	Bear Energy
M Jericevich	BG Group
Martin Piper	ExxonMobil
Matthew Dodwell	Cargill
Nigel Edwards	ExxonMobil
Oliver Bishop	Gazprom
Richard Norris	Hetco
Scott Keen	Intergen
Stuart Kidd	ENI
Tom Jesshop	Conocophillips

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 January 2008 was presented by Paul Youngman.

There were no material or non-material breaches during January, and year to date.

4. Regime Performance

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

4.1. **Energy** – Invoices have been issued, and balanced for December. There were no physical or locational actions for December 2007. The gas prices have come down in December compared to November. Balancing costs for period 1st October 2007 to 31st December 2007 were a net cost to neutrality of £0.58m (0.0054p/therm of throughput).

4.2. **Capacity** – There were no buybacks, however, there were scalebacks on four days in December:

9th December 2007 – 100% scaleback at St Fergus

14th December 2007 – 100% scaleback at Bacton, Easington, Isle of Grain

17th December 2007 – 100% scaleback at Bacton, Easington, Isle of Grain and Theddlethorpe

19th December 2007 – 50% scaleback at Easington, Theddlethorpe and Hornsea

Discretionary was released at one (Barrow) of the six main terminals focused on. The capacity neutrality net cost/revenue financial year to date is -£845,114.53.

No questions were raised by the forum for Paul regarding the regime performance.

5. APX Gas Ltd Update

An update was presented by Catriona Davey for January 2008.

During this time there were 56 buys by members and 43 sells. National Grid were active on 20 days, with the majority of activity by shippers.

No questions were raised by the forum for Catriona regarding APX.

6. OFGEM Update

James Crump updated the forum on current modifications and consultation timelines.

No questions were raised by the forum for James regarding Ofgem.

7. Gemini Update

An update was presented by Richard Griffiths which covered recent outages/incidents and the enhanced system security project.

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

- 11th January 2008
- 29th January 2008
- 4th February 2008

The forum was updated on the enhanced security and user access to the Gemini application. Richard confirmed that there would be no change to shipper systems or the method in which shippers currently access Gemini. The enhanced security project timeline was displayed with implementation set for May 2008. The forum were informed that an outage during the working day of approximately 2 hours would be required, further information of which will be released nearer the time.

Nigel Edwards (Exxonmobil) asked about an outage which had not been covered in the presentation that had happened from 22:00 until 02:30. Richard confirmed that he would look into this and present the findings at the next forum.

8. Contingency Arrangements

The contingency arrangements from the incident in October 2007 were presented by Richard Griffiths from xoserve and Paul Gallagher from National Grid.

Richard gave an overview of what Gemini is and what it supports. The forum was then informed of the reasons behind the requirement of the Gemini upgrade, and the testing that was carried out. It was confirmed that once the testing had been completed the technical assurance had been gained to go ahead with the upgrade. When the upgrade did go ahead a series of events led to shipper access being revoked, in order that further analysis could be completed. The causes of the incident were summarised, along with lessons learnt and what would be completed differently now.

Paul gave an overview of the contingency arrangements which took place. The timeline of the incident was presented along with what the "shipper agent" role was. It was explained that a normal approach to loss of Gemini is to manage via a single faxed EOD position from each shipper each day; however, during the incident Gemini remained available to National Grid users. Therefore, it was decided that National Grid would act as an agent for shippers. The information flows during the contingency were discussed, along with the logistics and the process undertaken for management of nominations and trade data. Issues arising and lessons learnt were summarised, along with a future outlook to contingency arrangements.

Richard Norris (Hetco) asked why the reconciliation of faxes had not been opened up to the shippers in the days following on from the incident. Richard confirmed that this would not have been possible due to the validation rules in place, however, this could be looked at for the future, although code changes would be required.

9. UNC Modification Proposals

An update was presented by John Bradley

10. Monthly Operational Update

The monthly operational update for January 2008 was presented by Paul Youngman.

There has been a decline in the UKCS. The Norwegian flows and BBL flows have been steady, and IUK have been importing throughout January. Gas demands have been around the seasonal norm as has the weather. The UK gas price has averaged 53p since December, and well above the price seen this time last year.

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/>

No questions were raised by the forum for Paul regarding the monthly operational update.

11. Maintenance Notices Update

Graham Harvey presented the annual maintenance notices update. The planning process was discussed, with an explanation of the considerations given to the draft plan and network analysis. Key projects were identified as:

South West reinforcement project – Feeder 9 & 20, Adoption of LTS pipeline.
South Wales expansion project – Feeder 28 pressure reduction
Trans-Pennine pipeline – Feeder 29 commissioning
Isle of Grain – Shorne – Gravesend pipeline – Feeder 18 commissioning
On Line Inspections

Compressor Maintenance was identified at:

Aberdeen
Kirimuir
Kings Lynn

Wormington
Hatton
Peterborough

Terminal capacities were displayed for throughout Summer 2008. Decreases in capability were shown at:

St Fergus in July and August
Easington in August
Bacton in August and September
Milford Haven in August

No questions were raised by the forum for Graham regarding maintenance notices.

The current maintenance plan can be found at the below link:

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

12. Capacity Management Update

Paul Green gave a capacity management overview update. The auctions were summarised. The transfer and trade principles were briefed, before a summary of physical and commercial operations were presented for January 2008. The following days were summarised:

4th January 2008
10th January 2008
11th January 2008
12th January 2008
16th January 2008

Key points were raised in relation to the release of WDDSEC and the application of scaling back at ASEP's that physically enter the LDZ.

A question was raised by Craig Purdie (Centrica Storage) regarding notification of scale back received by Shippers on Thursday 10th January 2008 and the non compliance of this message sent via ANS.

Upon investigation we can confirm that all appropriate scale back information was entered into Gemini correctly and within the appropriate time line for compliance. In each case an ANS message was also sent out to shippers. We did however send an incorrect ANS declaring 100% scale back for Easington effective 10.00hrs when it should have referred to Theddlethorpe. We had already declared 100% scale back at Easington effective 09.00hrs earlier that morning. A further ANS was sent out to correct this statement.

ANS is used to notify the community of actions being undertaken and to alert them to look at the Gemini System which is the formal way of recording and implementing such action, which due to the system checks will be in line with code obligations with respect to effect times etc.

13. Gas Operational Forum Survey

Sarah Magee presented the Gas Operational Forum Survey. It was identified that a survey was being introduced on the 14th February 2008 and e-mailed to everyone on the distribution list of the Gas Operational Forum. The aim of the survey is to find out views on content, communications, frequency, venue and any other issue which attendees may have. The deadline for the survey is the 14th March 2008. It was highlighted that the survey would be available on the internet site, and should anyone wish to complete the survey anonymously then the survey can be posted to Sarah. The results of the survey will be shared at the April Gas Operational Forum.

14. Any Other Business

There were no queries or issues raised.

Next Meeting: 10.30am on Wed 5th Mar 2008 at the Radisson Grafton Hotel, 130 Tottenham Court Road