

**Minutes and Actions Arising from Meeting No.7
Held on 14th October 2002
Montcalm Hotel, London**

Present:

Malcolm Taylor	PR	Acting Chairman
Charles Davies	CD	National Grid
David Lane	DL	Clear Energy
David Tolley	DT	Innogy
Dick Cecil	DC	London Electricity Group
Hugh Conway	HC	Energywatch Representative
John Capener	JC	British Energy
Barbara Vest	BV	RWE Trading Direct
Nick Frydas	NF	EDF Trading
Nigel Cornwall	NC	Cornwall Consulting
Mike Harrison	MH	Scottish Power
Phil Lawton	PL	National Grid
Paul Jones	PJ	PowerGen
Tim Russell	TR	
Richard Dunn	RD	Secretary

In Attendance:

Katharine Morrison	KM	Energywatch
Ian Topliss	IT	Mission Energy
Danielle Lane	RD	British Gas
Jan Devito	JD	Jade Energy
Richard Ford	RF	Ofgem

1 Introductions/Apologies for Absence

1. Apologies were received from Phil Russell (TXU Europe), Keith Miller (Enron Europe), Peter Clubb (GDF), John Stewart (Campbell Carr), Brain Sequeira and Simon Goldring (British Gas) and Richard Court (National Grid).

2 Feedback on the Discussion of the TASG Report at the CUSC Amendment Panel Meeting on 20th August

2. The Report was generally welcomed but several Panel Members believed that it did not go far enough and in particular had not met the Group's original terms of reference. A separate CUSC Working Group had been established to consider CAP043, the Amendment Proposal submitted to the September Panel Meeting by National Grid. CD explained that National Grid had worked up CAP043 from its Strawman Proposals that had been considered by TASG. National Grid believed it was sensible to define access rights first and then deal with issues such as trading and compensation later. TASG would also need to develop other priorities such as demand side participation to the point

where amendment proposals could be raised. TR also indicated that there was a school of thought which believed that a global approach to transmission access issues was necessary rather than a step-by-step approach .

3 Matters for Discussion

- **Review of Responses to the TASG Report to the CUSC Amendments Panel**

3. The acting Chairman suggested that the Group consider the comments received on the TASG Report to the August CUSC Amendments Panel and identify key issues identified by respondents. These issues were identified as:
 - Compensation vs benefits
 - demand side needs development
 - remedies for breach of rights required (both ways)
 - involvement of DNOs
 - charging issues (TNUoS)
 - will there be improvements to constraint management?
 - split HH/NHH customer treatment
 - fixed price/duration access
 - complexity favours big companies
 - will rights be allocated to customers or suppliers?
 - what is the big picture - and what about BETTA?

It was agreed that TASG needed to factor in these responses as far as possible into the final report of the Standing Group.

4 Next Steps

4. Some Members took the view that it was important to provide a high level framework for transmission access before individual Amendment Proposals were developed. TR and NC favoured this approach. CD considered that this was an impractical approach and that a step-by-step approach would help to identify the building blocks upon which a transmission access regime could be constructed. NC believed that Ofgem had provided an adequate route map for implementation of a transmission access regime in the February 2002 consultation document. DT believed that it was difficult to ascribe values to the kind of market arrangements preferred by Ofgem when National Grid was a monopoly and its assets could be in operation for up to 80 years. DC suggested that transmission access was not really about incentives on National Grid to invest in the transmission system as new investment was at historically low rates. The issue was more about optimising the current usage of transmission assets. CD noted that it would be difficult to develop a regime on the lines preferred by Ofgem if TASG Members did not believe it was possible.
5. MT indicated that, although the initial TASG report to the CUSC Amendment

Panel was not all embracing, a model on the generation side was now on the table as CAP043 and the responses to the further consultation had put forward a model for the demand side. One approach was to develop the models now available against the criteria identified in the initial TASG Report and the original Ofgem February consultation document. It was generally agreed that this was a viable approach to meeting the Standing Group's Terms of Reference and should be pursued.

6. It was AGREED that the Acting Chairman would draft a short report to the next meeting of the CUSC Amendments Panel on 25 October seeking agreement to a Work Plan for TASG incorporating the following:
 - (i) a review of the responses to the further consultation on the initial TASG report.
 - (ii) to develop the initial report of TASG to build on the generation and demand side models now available, assessed against the criteria for change identified in both the initial report (the 5 questions), the Ofgem February 2002 consultation document and the applicable CUSC objectives
 - (iii) complete the work for delivery to the CUSC Amendments Panel meeting in December 2002
 - (iv) provide a platform on which other components of transmission access , beyond CAP043, can be developed.

5 Any Other Business

7. There was no further business.

Date of Next Meeting

8. The date and venue of the next meeting would be organised after the Group's Report was presented to the CUSC Amendments Panel on 25 October (subsequently arranged for Monday 11th November at a venue to be advised).