

CAP142 Working Group

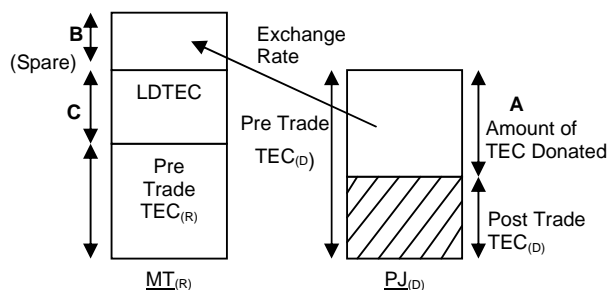
Meeting Name	CAP142 Working Group
Meeting No.	3
Date of Meeting	31 st January 2007
Time	10:00pm – 3:30pm
Venue	AEP Offices, London

1. Introductions/Apologies for Absence

26. Apologies for absence were received from Karron Baker (Ofgem)

2. CUSC Amendment Proposal 142 (Temporary TEC Exchange)

27. MT confirmed that following the meeting he would try expand on the draft Working Group Report and the intention was to submit it to the February CUSC Panel.
28. The group accepted the notes of the previous meeting with an amendment to Note 16.
29. AB recapped the process and presentation made on 12th January.
30. It was agreed that as part of the process there should be a pre-application notification of willingness to trade. It was also recognised that National Grids Exchange Rate has finite assessment rate, and had a shelf life for acceptance. It was noted that if the number of request for exchange rate increases National Grids workload dramatically then this would cause issues and this would be included in the Working Group report.
31. The group discussed regulated third party access issues and agreed that this was a crucial question to raise with Ofgem. In particular trades “in-house” of companies and whether this would ever be publicized. MT agreed to ask Ofgem for direction and how it currently works on enduring. It was also agreed that this would be included in the WG Report
- Action: MT**
32. It was questioned as to why minimum and maximum information was required for exchange rate. AB will report on the reasoning for this. The group agreed that unless convincing argument this is not going to be obligatory information.
- Action:AB**
33. The following graph was discussed and it was established that the formula is;
 Exchange Rate = $\frac{(B+C)}{A}$



34. It was emphasised that these are intended to be bespoke trades, and therefore are one at a time and will take time.

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35. A discussion was had regarding profiling and flat slabs and it was felt that the profile should be identical to the TEC given up by the Donor.
36. It was agreed that the process should be a joint application with both parties being jointly liable. Both parties have to agree to cease the process which would happen immediately with no refund of the fee.
37. The question was asked if there are 3 potential buyers could all the applications be processed at the same time. It was suggested that it would be possible to process concurrent multiple applications on a timescale agreed with National Grid on the basis that only 1 or none accept at the offer process stage. AB to check if this is possible
Action AB
38. It was requested that at the offer and acceptance stage it should be a noon to noon business day. AB to check regarding STEC time period with regard to business day.
Action AB
39. Acceptance generates changes to Bi-lateral agreement identifying temporary access rights, it will also show all TEC products less donated TEC. Exchange will start on a Monday and at least 1 week following acceptance of offer.
40. It was clarified that if either donor or recipient exceeds access than there is no liability exchange between them. Therefore, if recipient exceeds then it is recipient who is in breach of the CUSC and it would not have any effect on Donor.
41. The TEC register was discussed as a way of posting notification of intent to exchange, and it was agreed that all should consider the best was of "advertising" this
Action: All
42. In the scenarios presented no TEC received exceeded the donated TEC it was requested to establish why this would be.
Action AB
43. The following scenario was discussed by the Group as a formula for keeping the exchange neutral to all other users

	P1	P2
TEC	200	0
Donated TEC	100	-
Received TEC	-	100
Max Export	100	100
During Pays	200xTNUoS	LDTEC (X100)
	-100xLDTEC	
	(P1 collared at zero)	
After		0

3. Next Meeting

44. The next meeting date for CAP142 is Monday 5th February at National Grids Office in Northampton, commencing at 1pm and finishing at 3:00pm.

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Appendix 1 – Working Group Attendance

Members Present:

Malcolm Taylor	MT	Chairman
Beverley Viney	BV	Secretary
Adam Brown	AB	National Grid
Dave Wilkerson	DW	Centrica
Garth Graham	GG	Scottish and Southern
Paul Jones	PJ	E.ON
John Morris	JM	British Energy
Bill Reed	BR	RWE
David Scott	DS	EDF Energy

In Attendance:

Apologies:

Karron Baker	KB	Ofgem
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