

NATIONAL GRID OPERATIONAL FORUM MINUTES

31st January 2007

Elexon, 350 Euston Road, London

Present:

D Mitchell	National Grid	J Smith	EdF Energy
P Green	National Grid	S Kidd	ENI UK
N Forrest	National Grid	H Bartenk	Essent Holland
L Roe	National Grid	D Mooney	Fortis
C Gumbley	National Grid	M Russo	Fortis
S Larque	National Grid	J-R Rastoul	Gaselys
D Rachwal	Joint Office	L Lomas	Gaz de France
R Griffiths	Xoserve	J Viala	Glencore
C Moger	APX Gas	J Fitzpatrick	GMSL
M Cocking	APX Gas	S Parle	GS
J Farthing	APX Gas	R Norris	Hetco
C Murray	Calyon	G Roberts	Macquarie Bank
G Thorne	Canatxx	S Kanji	Merrill Lynch
D Hernandez	Centrica Storage	A-M Segbedzi	Ofgem
T Jesshop	ConocoPhillips	J Cornfield	RWE
A Holmes	ConocoPhillips	D Williams	SSE
J Crosland	Corona Energy	M Rezvani	SSE
S Taillieu	Distrigas	G Beveridge	ScottishPower
V Petersen	Dong Energy	K Stanton	Sempra
H Iversen	Dong Energy	N Lewis	Statoil
M Nielsen	Dong Energy	G Pickering	Total
J Walsh	E.ON	R Longmore	Utilyx
S Grayson	E.ON	P Norton	Westpac IB
R Fairholme	E.ON		

1.0 Action Items from Previous Meeting

1.1 No Actions

2.0 Compliance Reporting

2.1 Compliance Report for November and December 2006 was presented. There were no material or non-material breaches during the month.

3.0 Performance of the Energy Regime

3.1 Data was presented for November and December 2006.

3.2 Balancing costs for period 1st October 2005 to 30th November 2006 were a net revenue to neutrality of £7.83m (-0.0426p/therm of throughput).

4.0 Performance of Capacity Regime

4.1 During December 2006 there was 18% scale-back of interruptible capacity at Bacton on just one day. At Easington there was scale-back of interruptible capacity from between 30% and 56% on four days. There was no buy back of firm capacity.

5.0 Days of Interest – Easington Constraints

5.1 David Mitchell gave a presentation on the constraints at Easington during December 2006 and January 2007. An overview of the capacity regime was given, and details of the scale back of interruptible capacity which occurred and the future development of National Grid's network were discussed.

- 5.2 Shippers queried why National Grid does not reinstate interruptible capacity. David Mitchell responded that interruption of capacity rights was undertaken to ensure National Grid could honour capacity to those holding firm rights; any restoration of interruptible capacity would prejudice our ability to honour firm rights.
- 5.3 Shippers wondered if National Grid's 'stretch target' was adequate. David Mitchell responded that the baseline target levels for capacity sales assumed all interacting terminal flows were minimised. In practice on the days of scale back other such terminals were flowing above these assumed levels which demonstrated the extent to which operationally capacity was maximised.
- 5.4 A shipper asked why following the interruption of capacity, pressures seen at the terminal were considerably below levels which would suggest a physical constraint existed. David Mitchell responded that the reduction in flow levels following the scale back corresponded with firm capacity users choosing not to utilise their rights.

6.0 **APX Gas Update**

- 6.1 Christian Moger gave the APX Gas Update including a summary of the OCM market in 2006.
- 6.2 Malcom Cocker gave an update on the progress of the EnEX to EuroLight migration. The development period is now complete and the project is now in the testing phase, with training scheduled for April 2007.

7.0 **UNC Modification Proposals**

- 7.1 Dennis Rachwal gave an update on UNC modifications.

8.0 **Long-Term Entry Capacity Auctions**

- 8.1 No update.

9.0 **Ofgem Update**

- 9.1 No update.

10.0 **Gemini Update**

- 10.1 Richard Griffiths of Xoserve gave details of recent outages and incidents in Gemini, an overview of Gemini release 4, and information on the Oracle software upgrades and the XPI token replacement scheme.

11.0 **PCLP on Gemini**

- 11.1 At the previous Ops Forum shippers queried the reason for the PCLP being published on the website ahead of being published on Gemini. National Grid took away an action to look into the matter and Nicola Forrest gave a presentation on Grid's findings.
- 11.2 The delay occurs because before the PCLP data goes into Gemini, price information from the OCM is added.
- 11.3 National Grid is looking at a change in Gemini to stop publishing the price information which will increase the speed of the entry of PCLP data into Gemini. However, feedback is required from shippers as to whether the legacy price publication is still required from National Grid given real time price assessments are available directly from APX's website. Shippers should contact Nicola Forrest (01926 654044) or Lynda Roe (01926 654048) with any feedback.

12 Winter Update

- 12.1 Paul Green gave a presentation on the winter so far.
- 12.2 November 2006 has been the warmest on record with the highest demand being 325.5mcm compared with last year's figure of 376.2mcm. December has been the fifth warmest, and January 2007 is set to be very warm too, with the highest demand so far of 415.15mcm.

Next Meeting: 10.30am on Wednesday 28th February 2007 at the Radisson Grafton Hotel, Tottenham Court Road, London