

Workgroup 0442 Minutes
Amendment to the implementation date of the Allocation of Unidentified Gas Statement for the 2013/14 AUG Year

Friday 25 January 2013

at 31 Homer Road, Solihull, B91 3LT

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Andrew Green*	(AG)	Total Gas & Power
Andrew Margan	(AM)	British Gas
Erika Melen*	(EM)	Scotia Gas Networks
Fiona Cottam	(FC)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Gareth John	(GJ)	Corona Energy
Lorna Lewin	(LL)	Dong Energy
Marie Clark	(MC)	ScottishPower
Mark Jones	(MJ)	SSE
Mike Bagnall	(MB)	British Gas
Rob Johnson	(RJ)	Wingas
Steve Mulinganie	(SM)	Gazprom

* *via teleconference*

1. Introduction

TD welcomed all to the meeting and provided a brief explanation behind the rationale for arranging the meeting at short notice. The Panel had concluded that a Workgroup meeting would be preferable before the Modifications are issued to consultation, enabling some assessment to take place and a Workgroup Report to be produced to inform the consultation. GE felt the truncated process was inappropriate and created risk, especially since Ofgem had concluded that urgent procedures were unnecessary.

The Workgroup noted that no Ofgem representative would be attending the meeting, with all disappointed that this was the case.

2. Outline of Modification

MB (0418) & MC (0418A) provided brief overviews of their respective modifications. EM confirmed that whilst Scotia Gas Networks are working on the legal text, it is not ready for consideration by the Workgroup. It was expected that amendments would be made to both modifications in light of discussions about the text.

3. Completion of Workgroup Report

TD confirmed that the requirement is to produce a single Workgroup report covering both modifications. To support the process, the JO had published a draft for consideration, and this was reviewed, edited and approved onscreen during the meeting.

Some key concerns were voiced such as:

- the Xoserve view that system changes would be required. An as yet unknown lead time would be required to determine the changes required

and implement them (FC's instinct was that a two month lead time might be necessary following receipt of a change order). MC expressed disappointment at this change in Xoserve's view, although it was recognised that the immediate view received from Xoserve (that the change could be implemented without changing systems) was provided in good faith. GE suggested that the change of view was another example of the risk created by a truncated process;

- whether systems implementation after the modifications implementation, with an associated reconciliation process, was either practical or acceptable. Also it was questioned whether the legal text would need to reflect the possibility of reconciliation;
- AR agreed to request a ROM which, hopefully, would be available quickly and confirm whether any change is required to the ACS;
- tensions between UNCC timelines (adoption of the AUG Methodology etc.) and the modification delivery timelines – may need a UNCC adoption date included in amended versions of both modifications;
- a lack of clarity and questions around the actual accuracy of the AUGE figures presented at a previous UNCC meeting and now expressed in the modifications – the current consultation is not due to close until 01 March and the materiality of any methodology change is, as yet, unknown;
- a potential undermining of the independent nature of the AUGE if its decisions could be seen to be challengeable by the modifications process.

At the end of discussions, a consensus view from the Workgroup could not be achieved as to whether to recommend to the Panel that the modifications should be issued to consultation or subject to further assessment by the Workgroup.