

**UNC Workgroup 0430 Minutes
Inclusion of data items relevant to smart metering into
existing industry systems**

Thursday 23 August 2012

ENA, 52 Horseferry Road, London SW1P 2AF

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	(LD)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid Distribution
Alex Ross	(ARo)	Northern Gas Networks
Alison Meldrum	(AMe)	Tata Steel (for WG0428)
Andrew Margan	(AMa)	British Gas
Anne Jackson	(AJ)	SSE
Brian Durber	(BD)	E.ON UK
Chris Warner	(CW)	National Grid Distribution
Darren Lond*	(DL)	National Grid NTS*
David Addison	(DA)	Xoserve
David Bold*	(DB)	ES Pipelines
David Mitchell	(DM)	Scotia Gas Networks
Elaine Carr	(EC)	ScottishPower
Erika Melèn	(EM)	Scotia Gas Networks
Fergus Healy*	(FH)	National Grid NTS
Gareth Evans	(GE)	Waters Wye Associates
Gethyn Howard*	(GH)	Inexus Group (for WG0430)
Joanna Ferguson	(JF)	Northern Gas Networks
Kathryn Heard*	(KH)	National Grid NTS
Lorna Lewin	(LL)	DONG
Marie Clark	(MC)	ScottishPower
Mike Payley	(MP)	Xoserve
Richard Vernon*	(RV)	RWE npower
Rob Cameron-Higgs	(RCH)	Wales & West Utilities
Tracy Goymer*	(TG)	GTC (for WG0430)

**via teleconference*

Copies of all papers are available at: www.gasgovernance.co.uk/0430/230812

1. Introduction and Status Review

1.1. Minutes from the previous meeting(s)

The minutes of the previous meeting were accepted.

1.2. Review of actions from previous meeting(s)

No actions outstanding.

2. Discussion

JF confirmed that the proposed User Pays element covering development costs was to be 100% funded by Shippers; impacts on file formats will be explored through the UK Link Committee (UKLC). The current ROM was circa £600k - £1 million (fully managed service and that there may be other costs?) and will be published alongside the modification. The timescale for implementing any changes was estimated to be 62 weeks, which was quite challenging in view of the proposed anticipated 'go live' date. It was confirmed that the UNC Modification Panel would request a DCA on behalf of the Workgroup and JF expected to do this at the next Panel meeting. JF then sought views on the proposed User Pays apportionment.

AMa contested the proposed allocation of 100% to Shippers, arguing this should be split between Shippers and Transporters and explained the benefits he perceived would accrue to Transporters and suggested instead that it should be a 50:50 split. JF pointed out that Transporters do not see any benefit from SMART Metering until a long way in the future; from their standpoint this is an unfunded obligation to do something they have no interest in. AMa questioned JF assertion that Transporters do not benefit from smart metering changes referencing the DCC Flag benefits to them and the DCC Access Control work to satisfy an obligation the GDNs have. He pointed out the DCC Flag request came from the ENA, not suppliers. AMa suggested that the Transporters could return to Ofgem for more funding; or raise more than one ACS for submission to Ofgem for its consideration and decision. CW observed that the industry was under the impression that Ofgem expected Shippers and Transporters to take ownership of the User Pays decisions. DCA costs, timescales, RIIO impacts etc, will be reviewed with the aim of avoiding any double recovery. AR added that while SMART Metering was not part of the Transporters' funding implementation was a Supplier's requirement and it was unlikely that Ofgem would re-open formula discussions to accommodate it. DECC, Ofgem and the Transporters had discussed sending an ACS to the Secretary of State for a decision. Ofgem would certainly consider an ACS for development costs without a modification behind it. GE commented that he was not sure that DECC believed that Transporters would not benefit from SMART Metering, and questioned if this had to be an ACS change – why not a 'pass through' item? AR responded that the benefits are largely to parties who interact with the DCC and these should therefore attract any associated charges.

GE observed that Shippers never wanted User Pays and expected Ofgem to deal with any 'fall out' in these cases. He anticipated the raising of an alternative modification or the expectation of two ACSs. AR reiterated the beneficiaries were the parties who interacted with the DCC; GE responded that some parties may use the DCC, or not, or use AMR only, or a mix; some might find they are forced to use it rather than choose to use it. Perhaps a charge should be considered on those who use the SMART meters. JF pointed out she was keen to propose a split that was appropriate and simple to administer. BD observed that this was about UNC changes that required facilitation, that it just needed to happen and that the majority will probably use DCC.

It was suggested that the Transporters and GE produce ACS options offering various splits. GE referred to a DECC document that provided a quantitative view of benefits to various parties. The Transporters noted this for consideration. AR commented there was no ex ante allowance; how do Transporters account for the incremental funding gap?

New Action 0430/001: Transporters to review the DECC quantitative view of benefits and produce various ACS options for discussion.

New Action 0430/002: JF to request a DCS at the next UNC Modification Panel.

JF indicated that file formats impacts were under discussion with Xoserve, and there was not a great deal of detail available yet. GH observed that from an iGT perspective the file format development will entail a lot of work and this will be progressed under the iGTs' own modification group. It would be appreciated that any information be shared as soon as possible so that this could be expedited in parallel.

AMa reiterated that the 2013 date is a very tight aspiration. JF explained that trialling and testing will take place in Q2 2014 and this was the 'drop dead date'. There may be a small gap in the history data due to churn but DECC was aware of this. JF explained briefly various file interactions. Once the impacts were more thoroughly understood the implementation approach would be discussed with the UKLC.

MC asked if there would be any impacts on files associated with CSEP NExAs and SCOGES? JF was not sure at this stage but advised this would be identified as analysis was undertaken.

AMa thought there might be some benefit in including UPRN in the scope. JF explained DECC's view on populating; she did not expect any population and process validation on this at the moment but felt it would be prudent to include the field in the build at this time. It has a separate cost attached to it but where this will sit has yet to be established.

Next Steps

At the next meeting it was agreed that the Workgroup would:

- Develop its understanding following consideration of the ROM presentation made to DECC by Transporters
- Progress the split of the User Pays charges.

The Workgroup is due to report to the UNC Modification Panel on 15 November 2012.

3. Any Other Business

None raised.

4. Diary Planning for Review Group

It is anticipated that the next Workgroup meeting will take place within the business proceedings of the Distribution Workgroup on:

Wednesday 05 September 2012, at 31 Homer Road, Solihull B91 3LT.

Workgroup 0430 - Action Log

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0430/001	23/08/12	2.	Transporters to review the DECC quantitative view of benefits and produce various ACS options for discussion.	Transporters (JF)	Pending
0430/002	23/08/12	2.	Request a DCS at the next UNC Modification Panel.	Northern Gas Networks (JF)	Pending