

Distribution Charging Methodology Forum (DCMF) Minutes
Tuesday 28 April 2015
at 31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Karen Visgarda (Secretary)	(KV)	Joint Office
Craig Neilson	(CN)	National Grid Distribution
Gemma Truran	(GT)	RWE Power
George Moran*	(GM)	British Gas
David Carroll*	(DC)	Gazprom
Fabian LaRoche	(FL)	E.ON UK
Joanna Parker	(JP)	Scotia Gas Networks
Jon Trapps	(JT)	Northern Gas Networks
Julia Haughey	(JH)	EDF Energy
Mike Lapper	(ML)	National Grid Distribution
Robert Wigginton	(RW)	Wales & West Utilities

*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/dcmf/280415>

1. Introduction and Status Review

1.1 Review of Minutes

The minutes of the previous meeting (27 January 2015) were accepted.

1.2 Review of Actions

2. Allowed and Collected DN Revenue (UNC0186 Reports)

Opening, BF explained that he would be chairing future meetings as LJ is now involved in other areas of the Joint Office.

2.1 Northern Gas Networks

JT provided a brief overview of the presentation and explained the major focus is on inflation and the RPI reduction. There were no questions from the Workgroup regarding the Northern Gas Networks data.

2.2 Scotia Gas Networks

JP provided a high-level on screen overview surrounding the key changes and impacts relating to the HM Treasury Medium RPI Forecast, for Southern and Scotland networks.

JP explained that since the last meeting work has been undertaken on a CNI Reopener and the costs are being produced for the end of May deadline. JP stated this had been requested by RWE npower (GT) at the previous meeting. GM asked if the figures were going to include the impact on the cost allowances. Responding, JP stated that if these went through the reopener then there would be an increase in revenue and yes it would include cost allowances. FL requested clarification regarding Southern and Scotland in relation to network allowance revenue adjustments being lower. JP said it would depend on the timelines and the impacts at the time and that it won't be recovering so much in allowances, with no lag on NIA passing through K.

2.3 Wales & West Utilities

RW provided an on screen overview of the RPI and the inflation impacts. He stated he had put shrinkage in the model and it had made little difference to the overall figures, which showed there was no cause for concern.

RW then flagged to the Workgroup the potential impact of Modification 0517, regarding the exit capacity from the NTS and the potential cost changes, which could be incurred by Wales & West Utilities.

FL asked the Workgroup as a whole, if there was any intention to recover these potential costs through the reopener. All attendees stated that this was not the case.

2.4 National Grid Distribution

CN explained that he has now taken over from David Chalmers.

ML then undertook an onscreen review of their presentation pointing out to the Workgroup the costing charges, together with the decreasing RPI percentages. He also explained that within the Collectable Revenues there had been an error previously, which has now been corrected with a positive effect for the Shippers in relation to the costing profile. There were no other questions from the Workgroup.

3. Any Other Business

JH requested the area of 'Predicting Charges In Advance' be discussed and re-investigated again by the Workgroup, as she felt this has not been sufficiently explored previously. The Workgroup discussed the area of the predicted charges and associated impacts for future visibility. JH stated Ofgem are keen for this area to be given more focus and greater discussion to be undertaken by the Workgroup. The Workgroup all agreed for this to become a new action and JH said she is going to raise a new modification regarding Predicting Charges In Advance. CN stated an area to look at and think about, is the amount of K tolerance and the impact of predicting charges.

New Action: DCMF 0401: All parties to investigate the area of Predicting Charges In Advance for the next meeting.

JP requested a new action to be raised to confirm a 'Uniformity in Reports'. She asked the Workgroup if all the reports could be presented in the same format and style to make the reports consistent, especially with regards to table formatting.

New Action: DCMF 0402: All DNs to consider adopting a uniform approach for all reports and table formatting.

4. Diary Planning for Workgroup

Details of planned meetings are available at: www.gasgovernance.co.uk/Diary.

The following meetings are scheduled to take place:

Time/Date	Venue	Workgroup Programme
10:30 Tuesday 28 July 2015	31 Homer Road, Solihull B91 3LT	<i>To be confirmed.</i>
10:30 Tuesday 24 November 2015	31 Homer Road, Solihull B91 3LT	<i>To be confirmed.</i>

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DCMF 0401	28/04/15	3.	To investigate the area of Predicting Charges In Advance for the next meeting.	All	Pending
DCMF 0402	28/04/15	3.	To consider adopting a uniform approach for all reports and table formatting.	DNs	Pending