

**Review Group 0208**  
**Tuesday 22 April 2008**  
**at Elexon, 350 Euston Road, London**

**Attendees**

|                           |    |                                  |
|---------------------------|----|----------------------------------|
| Julian Majdanski(Chair)   | JM | Joint Office of Gas Transporters |
| Helen Cuin                | HC | Joint Office of Gas Transporters |
| Bali Dohel                | BD | Scotia Gas Networks              |
| Chris Warner              | CW | National Grid Distribution       |
| Fiona Cottam              | FC | Xoserve                          |
| James Crump               | JC | Ofgem                            |
| Joanna Ferguson           | JF | Northern Gas Networks            |
| John Edwards              | JE | Wales and West Utilities         |
| Linda Whitcroft           | LW | Xoserve                          |
| Phil Broom                | PB | Gaz de France                    |
| Richard Street (Proposer) | RS | Corona Energy                    |
| Stefan Leedham            | SL | EDF Energy                       |

**Apologies**

|               |    |                       |
|---------------|----|-----------------------|
| Mark Jones    | MJ | Scottish and Southern |
| Shelley Rouse | SR | Statoil (UK)          |

**1. Introduction and Review Group Operation**

JM welcomed members to the first meeting and outlined how the group would operate.

**2. Outline of Proposal and Consider Terms of Reference**

RS, as Proposer, provided a brief summary on the background to the Review Proposal.

JM confirmed that no written comments had been received in relation to the Terms of Reference and asked members if any further amendments were necessary before issuing it the May UNC Panel Meeting.

LW questioned whether unregistered sites need to be included within the scope of deliverables as the reference to Shipperless Sites generally relates to sites that have been isolated and withdrawn.

A brief discussion evolved around unregistered sites. It was agreed that this would need further consideration and would therefore be included within the Terms of Reference.

RS confirmed that he would like to focus on a regime that incentivised all parties. He acknowledged that Corona Energy should take a share of the costs however this needs to be a fair share.

RS believed it may be difficult to conclude the review within 6 months but would like to have made significant progress, particularly if there are quick wins that may be achievable.

### 3. Review Group Process

RS introduced a strawman proposal, which provided some initial thoughts on the work required by the Review Group.

Each of the areas identified for further consideration were discussed:

#### AQ Review.

There was some debate on identifying any regional structural bias. JF suggested that any AQ rollover could skew data and confirmed that it is unknown whether the same sites rollover each time. Change of usage was also briefly discussed. SL understood that Shippers are actively providing meter reads to enable accurate AQs. He suggested that 80% of sites have four meter reads taken and provided to xoserve per year and that this should enable annual consumption calculations.

JF believed that in order to accurately understand consumption, leakage and other factors need to be considered.

RS believed that in theory AMR should reduce risks but this may also need to be established through statistical analysis.

#### Theft of Gas

RS provided Theft of Gas figures relating to 2006 and asked if the Theft of Gas figures for 2007 could be provided. RS questioned whether the theft figures were verified and whether any data could be provided on possible theft investigations as this may establish if there was a particular pattern. He believed this would help understand whether there needs to be better incentives for suspected theft cases. LW explained the investigations undertaken for suspected theft and the limitations.

Upstream Theft was discussed briefly and whether this can be targeted better.

Meter bypass was considered, how this is managed now and whether any other measures could be taken.

Meter Read performance was also considered particularly the opportunity for theft that arises with infrequent meter reads.

**Action 0001:** xoserve to investigate the provision of 2007 Theft of Gas Statistics and an analysis on suspected Theft.

#### Meter Accuracy

JM questioned Ofgem's progress with identifying any previous meter accuracy analysis for consideration by Development Workgroup 0194 as that analysis would also be of use to this Review Group.

JC confirmed that he had not been able to obtain details as yet but would continue investigations.

#### iGT impacts

FC explained how CSEPs are managed and the difficulties encountered with data provision. CW confirmed that work was being undertaken in Review Group 0157 to address the issues identified and acknowledged that there is a shortfall of registered sites due to rejections and validations. He confirmed a regime change is being considered.

#### Shipperless and unregistered Sites

FC highlighted the importance of correct site registration and how this impacts RbD. LW highlighted that approximately 100,000 MPRs are unregistered; the vast majority of these will be domestic. LW confirmed work is being undertaken by xoserve to reduce the number however significant numbers of sites still remain unregistered. LW believed

that, in terms of volume, unregistered sites was a bigger problem compared to theft. The xoserve process for unregistered sites and how reconciliation is managed was discussed. LW explained the difficulty with retrospectively billing Shippers as it is sometimes difficult to ascertain effective dates. LW also explained the problems with meters being fitted and flowing gas without site registration.

New build developments were discussed and how these are managed.

BD asked if unregistered sites have increased significantly since meter unbundling. LW confirmed that a significant increase has occurred. LW explained that there are a number of indicators, xoserve use, to identify sites with a meter in situ, but not registered, these are the C&D store, RGMA flows and Code 12s. These are all utilised by xoserve to try and resolve unregistered sites.

LW suggested that a representative from the unregistered sites team could attend the next meeting to explain the current situation and the work being undertaken to address the issue.

RS suggested that it may be possible for Transporters to identify how much energy is entering a particular geographical area compared to actual consumption. JE agreed to examine the possibility of this.

**Action 0002:** xoserve to provide further information on unregistered sites.

**Action 0003:** Transporters to establish the ability to provide statistical analysis on how much energy is entering a particular area compared to actual consumption.

**Action 0004:** xoserve to establish the ability to undertake reconciliation on a regional basis.

**Action 0005:** Shippers to investigate the management of unregistered sites.

#### **4. Diary Planning for Review Group**

10:00, 13 May 2008 preferably at Elexon, London.

#### **5. AOB**

None.

**ACTION LOG - Review Group 0208**

| <b>Action Ref</b> | <b>Meeting Date</b> | <b>Minute Ref</b> | <b>Action</b>  | <b>Owner</b>         | <b>Status Update</b> |
|-------------------|---------------------|-------------------|--|----------------------|----------------------|
| RG0208<br>0001    | 22/04/2008          | 3.0               | xoserve to investigate the provision of 2007 Theft of Gas Statistics and an analysis on suspected Theft.   | xoserve<br>(LW/FC)   | Pending              |
| RG0208<br>0002    | 22/04/2008          | 3.0               | xoserve to provide further information on unregistered sites.  | xoserve<br>(LW/FC)   | Pending              |
| RG0208<br>0003    | 22/04/2008          | 3.0               | Transporters to establish the ability to provide statistical analysis on how much energy is entering a particular area compared to actual consumption. | Transporters<br>(JE) | Pending              |
| RG0208<br>0004    | 22/04/2008          | 3.0               | xoserve to establish the ability to undertake reconciliation on a regional basis.  | xoserve<br>(LW/FC)   | Pending              |
| RG0208<br>0005    | 22/04/2008          | 3.0               | Shippers to investigate the management of unregistered sites.  | Shippers             | Pending              |