

Review Group 0177 Minutes
Wednesday 12 December 2007
Renewal Conference Centre, Solihull, B91 2JR

Attendees

John Bradley (Chair)	JB	Joint Office of Gas Transporters
Alan Raper	AR	National Grid Distribution
Andy Smith	AS	RWE npower
Bali Dohel	BD	Scotia Gas Networks
Chris Warner	CW	National Grid Distribution
Joanna Ferguson	JF	Northern Gas Networks
Karen Kennedy	KK	ScottishPower
Kevin Mann	KM	RWE npower
Mark Jones	MJ	SSE
Nigel Nash	NN	Ofgem
Phil Broom	PB	Gaz de France
Robin Stevens	RS	Scotia Gas Networks
Sallyann Blackett	SB	E.ON UK
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy
Steve Nunnington	SN	xoserve
Steve Taylor	STa	Centrica
Tim Davis	TD	Joint Office of Gas Transporters

1. Introduction and Status Review

1.1 Minutes from previous meeting

The minutes of the previous meeting were approved.

1.2 Review of actions from previous meeting

Action RG0177/001: WWU (ST) and xoserve (SN) to identify the possible impacts and associated costs of implemented changes both prior to, and within, the 2012 UK Link Replacement programme.

Action: Carried forward to following meeting

Action RG0177/002: Scottish Power (MC) to update the iGT Panel, as and when required.

It was confirmed that updates have been provided to the iGT Panel.

Action: Closed

Action RG0177/003: Joint Office (MiB) to ensure that the December agenda includes the above items.

Action: Complete

Action RG0177/004: Joint Office (MiB) to arrange the 12 December 07 meeting, if possible, and confirm the details as soon as possible.

Action: Complete

2. Review Group Discussion

2.1 End to End AQ Process

SN presented on behalf of xoserve, explaining the AQ process from its perspective, covering both DM and NDM sites. SN agreed to provide, for publication on the JO website, the existing statistics on reasons why NDM AQs have not recalculated.

Action RG0177/005: SN to provide, and JO publish, statistics on why NDM AQs have not recalculated.

SN emphasised that calculated AQs are subject to sense checks by an xoserve team – for example to identify erroneous meter reads or erroneous asset data. It would be an issue if any change to the process lost this facility for manual intervention, albeit that spreading this workload across the year would be welcome. MJ added that the AQ process also creates a significant and peaky workload for Shippers. KK agreed that ensuring retention of a process to identify and correct erroneous data was key. SB suggested that filter failures could form part of, but not a whole, solution were a more automated rolling process to be instigated.

SB asked why renomination is needed following a successful appeal, but is not needed for standard changes on 1 October. SN explained that this renomination is effectively done by xoserve for 1 October changes as a reflection of the way the system is built. Reconsidering the existing renomination process would be a fundamental issue should change be proposed by the Review Group.

CW asked SN for a view on the accuracy of the present process and whether any suspect AQs remained in the system. SN said that concerns remained based on looking at use of the AQ spec calculator and the resulting receipt of matching appeals – ideally a one to one relationship might be expected, but was not seen in practice. Any cases giving particular concern were referred to Ofgem.

NN indicated that it was not clear that Ofgem had a role to police behaviours under the UNC when Licence conditions were not being breached, for example as a result of potentially inappropriate behaviours during the AQ Review process. Provision of an audit function within the UNC may be a better way forward than seeking to rely on Ofgem. CW suggested that developing the regime surrounding submission of meter reads and other feeder processes could be a means of strengthening incentives which would discourage inappropriate behaviour.

2.2 Issues with current AQ process

SN set out a series of potential issues were a rolling AQ Review process to be adopted. The Group accepted that the existing amendments process could no longer exist in its present form.

There was some discussion about the extent of automation whenever a new read was submitted and general agreement that some filters should be applied, for example to check for manifest errors. In light of concerns about frequent reads being submitted and AQs frequently moving up and down, MJ suggested it may be appropriate to use a moving average approach in order to give a gradual change to an AQ rather than a complete shift. However, SB felt that using the most up-to-date consumption data ought to be expected to be the best guide to the correct AQ. It was agreed that further consideration should be given to this area, for example whether the present 20% threshold should be retained.

SB presented issues for consideration which EON had identified, and there was some debate around whether a rolling approach would be more or less open to abuse than an annual process. It was agreed that any proposed change should seek to minimise incentives for inappropriate behaviour.

JB asked if any further issues merited consideration. MJ pointed to the implications of negative consumption, and SB agreed that 0640 would need to be considered. AR emphasised that issues behind threshold crossers would need to be considered. JB emphasised that identifying costs and benefits would be important as part of the Review Group's work and invited all to focus on this going forward.

3. Diary Planning for Review Group

3.1 Workplan

SB outlined the Workplan, which was agreed.

It was agreed to meet again in a month's time, preferably in London, with a 10:30 start time, and that all would consider the issues outlined by SN and SB and come prepared to discuss these. Under action RG0177/001, some initial thoughts on xoserve costs will be brought to the next meeting. SB agreed to provide similar figures from EON's perspective.

Action RG0177/007: Joint Office (JB) to arrange Review Group meeting for January 2008, preferably in London

Action RG0177/008: All to consider issues presented and feedback at January 2008 meeting

Action RG0177/009: EON (SB) to present assessment of Shipper costs of changing the AQ Review process

4. AOB

None.

APPENDIX A.

ACTION LOG - Review Group 0177

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0177/001	14/11/2007	3.0	Identify the possible impacts and associated costs of implemented changes both prior to, and within, the 2012 UK Link Replacement programme.	WWU & xoserve (ST & SN)	Update due at 25 Jan 08 meeting. Carried Forward
RG0177/002	14/11/2007	3.0	Update the iGT Panel, as and when required.	ScottishPower (MC)	It was confirmed that updates have been provided to the iGT Panel. Closed
RG0177/003	14/11/2007	4.0	Ensure that the December agenda includes the above items.	Joint Office (MiB)	On agenda. Closed
RG0177/004	14/11/2007	4.0	Arrange the 12 December 07 meeting, if possible, and confirm the details as soon as possible.	Joint Office (MiB)	Meeting confirmed Closed
RG0177/005	12/12/2007	2.1	SN to provide, and JO publish, statistics on why NDM AQs have not recalculated.	xoserve (SN) Joint Office (JB)	
RG0177/006	12/12/2007	3.1	Arrange Review Group meeting for January 2008, preferably in London	Joint Office (JB)	
RG0177/007	12/12/2007	3.1	All to consider issues presented and feedback at January 2008 meeting	All	For discussion at January 2008 meeting
RG0177/008	12/12/2007	3.1	EON (SB) to assess Shipper costs of changing the AQ Review process	EON (SB)	To be presented at January 2008 meeting

* Key to action owners

MiB Mike Berrisford, Joint Office of Gas Transporters

JB John Bradley, Joint Office of Gas Transporters

ST Simon Trivella, Wales & West Utilities
SN Steve Nunnington, xoserve
MC Marie Clark, ScottishPower