

Distribution Workstream Minutes
Thursday 14 January 2010
Holiday Inn, 61 Homer Road, Solihull

Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Amrik Bal*	AB	Shell Gas Direct
Beverley Viney	BV	National Grid NTS
Brian Durber*	BD	E.ON UK
Chris Hill*	CH	RWE npower
Chris Warner	CW	National Grid Distribution
David Watson	DW	British Gas
Elaine Carr	EC	Scottish Power
Gareth Evans	GE	Waters Wye
Jemma Woolston*	JW	Shell Gas Direct
Joanna Ferguson	JF	Northern Gas Networks
Joel Martin*	JM	Scotia Gas Networks
Linda Whitcroft	LW	xoserve
Mark Jones	MJ	Scottish and Southern Energy
Nicola McClaren*	NM	Ofgem
Phil Broom	PB	GDF Suez
Simon Trivella	ST	Wales and West Utilities
Stefan Leedham	SL	EDF Energy
Steve Mulinganie*	SM	Onshore Consulting

*via teleconference

1. Introduction and Status Review

1.1. Minutes from the previous meeting

The minutes from the previous meeting were approved.

1.2. Review of actions from previous Distribution Workstream meetings

Action Dis0803: Topic 0040Dis - National Grid Distribution (AR) to examine the possible timelines for a contracted disconnection service without access to customer premises.

Action Update: CW confirmed that no further update was available, however he confirmed his intention to provide a written update. **Carried Forward.**

Action 1003: EDF to provide some statistical evidence of threshold crossers from their portfolio.

Action Update: See item 2.2. **Carried Forward.**

Action Dis1101: UNC0248 - Shippers to provide an indication of likely demand/volume for read replacements and acceptable costs by volume band to the Joint Office.

Action Update: BF confirmed that no updates had been provided, it was agreed that the information would still be useful. It was therefore agreed to keep this action open. CW/LW confirmed that an indication of likely demand would be required for the ROM. **Carried Forward.**

Action Dis1102: UNC0248 - EDF to clarify Business Rule 7 - The Gas Transporter will publish a quarterly report detailing the number of meter reading replacements submitted by individual Shippers.

Action Update: SL see item 2.1. **Complete.**

Action Dis1103: All parties to provide any concerns to xoserve on the UNC0268 contingency arrangements.

Action Update: BF confirmed that the FMR had been produced, it was recognised no concerns were expressed on the actual contingency arrangements. However, some concerns were expressed on the implementation timescales and potential costs for Shippers. No comments had been provided to xoserve. **Closed.**

Action 1104: UNC0279 - Transporters to request a ROM for the development of a report solution for the provision of meter asset and meter read history.

Action Update: LW confirmed that the ROM had been raised see item 2.3. **Complete.**

Action 1105: UNC0279 - xoserve to provide a response to the suggested 3 year period and potential system impacts.

Action Update: LW confirmed that this will be addressed as part of the ROM. **Closed.**

1.3. Review of Live Modifications

BF outlined the live Modification Proposals.

2. Modification Proposals

2.1. Proposal 0248: Meter Reading Replacement

SL confirmed that discussions with xoserve have taken place and that a revised set of business rules required publication in response to the concerns raised with validations and gaming.

DW questioned who would be paying for the report, it was clarified that Transporters will make the report available and that it will be provided on a User Pays basis. DW expressed concern about the cost of the solution, he believed controls were needed but a more effective control could be found. It was suggested that the report is made available along side other User Pays reports on a quarterly basis.

The content of the report was discussed and whether to report actual numbers or percentages. LW explained the difficulties with reporting solely with percentages and the interpretation of data. She explained that a small shipper could replace all its meter readings and have a high percentage rate and a large shipper could replace a small number of meter reads in comparison to their portfolio and have a lower percentage rate but have replaced the same number of meter reads. It was agreed to keep the report format open and to develop the appropriate report content as part of implementation. DW expressed concern about reporting actual numbers.

SL summarised the amendments required to the business rules and provided clarification on Business Rules 7.

It was not possible to complete a number of the sections within the Workstream report without details from the ROM. SL envisaged the Workstream Report could be completed for the February Panel. SL suggested a caveat at the beginning of the Workstream Report to confirm the ROM will be available as part of the consultation process.

It was agreed that the demand information would be required for the ROM to understand the service charges. SL believed the ROM would be required for the consultation process.

ROM costs are expected at the end of the month, which needs to be included within the Draft Modification Report.

It was agreed to produce a draft Workstream report with comments and that an amended modification would be inserted into the report for approval during early February.

The Workstream discussed whether replaced reads will still be recorded and an indication made that the read has been replaced. The value of keeping original reads was discussed LW explained from a billing perspective xoserve would want to keep a record of meter reads that have been used for billing purposes. SM expressed concern about the xoserve requirement for audit trail purposes and the impact on costs. Shippers were not sure they would need this visibility. To validate AQs LW believed that Shippers would want to understand what meter reads have been replaced. It was not clear how this would affect the ROM and how expensive the solution would be. The issue surrounding system changes that may affect all Shippers whether or not they wish to utilise a meter read replacement service was discussed.

ST challenged the split of the development costs and that the Transporters will have very little benefit from the proposal he believed that the costs ought to be 100% on Shippers.

Action 0101: 0248 – Amended Modification Proposal to be provided and inserted into the Draft Workstream Report.

2.2. Proposal 0271: Amendment to the SSP – Provisional LSP – SSP Amendment Rules

SL wished to discuss the business rules and ROM request deferring the production of the Workstream report until February. SL confirmed consideration had been to removing the 20% rule. He believed it would be cheaper to remove the 20% rule however the operational impacts would first need to be considered.

CW confirmed that a ROM had already been requested on the current proposal and that a new ROM or an amended ROM needs to be produced. SL agreed to provide National Grid with the required specification for the ROM to establish the cheapest solution.

Action 0102: 0271 - ROM to be produced on removing the 20% rule from the UNC in addition to the existing ROM.

GE asked if it was possible for the Joint Office to produce a ROM register to allow all parties to monitor.

It was suggested that this could be an additional column within the UNC Modifications Register. BF highlighted that the information would be dependent on the provision of information from DNOs.

Action 0103: 0271 - DNOs to consider the inclusion of ROM requests and their status within the UNC Modifications Register.

2.3. Proposal 0279: Improving the availability of meter read history and asset information

PB was keen to produce a Workstream Report and highlighted the changes made to the proposal from the draft to the one submitted.

It was suggested that a Workstream Report need not be produced and that the Modification could be amended before the UNC Panel considered the proposal. If it was fully developed the proposal could be issued direct to consultation. PB was keen to produce a Workstream Report.

LW confirmed a ROM has been requested by the Transporters and xoserve have been clarifying points for its production it was unclear when the ROM would be completed.

A discussion took place on read tolerances.

The timing of the ROM and consultation process was considered.

It was agreed to hold an additional meeting at 10:00 02 February 2010 to finalise the Workstream Report for UNC 0279 and 0248.

LW wished to understand the period of information to be supplied. It was proposed a three year period is provided. DW was concerned about the volume of data, the cost of provision and the benefits.

The current provision of information was discussed. The importance of the "i flag" was also discussed. Consideration was given to the data required and what data attributes are already provided as part of the supplier transfer process and if the same data sets would be provided. Meter converter installation dates were considered. It was envisaged that if a site changed supplier, 3 years historical data would be provided.

It was envisaged the modification proposal would need to be amended to take into account considerations within the Workstream report discussions.

Incremental reports were considered. The charges were discussed and whether the cost ought to be on what information is provided per provided report or per eligible supply point provided within the report.

The automation of the report was also discussed and whether the report ought to be provided automatically for portfolio gains or if it had to be requested. Past portfolio gains per shipper would provide an indication of the volume of data to be produced and the likely cost of producing the information. It was assumed that all shippers would want this service. An indication was requested from Shippers on whether they would not want to take this service within the process.

The ability to provide a ROM in time for the 02 February 2010 was considered.

Action 0104: 0279 - xoserve to consider the reads that have failed tolerances and the likely costs of producing information on all portfolio gains within the ROM.

3. Topics

3.1. 038Dis, Emergency Contact Details

ST provided an update on the central collation of User Emergency Contact. It was agreed that this topic could be closed

3.2. 0040Dis, Disconnection Timescale

See Action Dis0803. This item was deferred until the next Distribution Workstream.

3.3. Any New Topics

None raised.

4. AOB

4.1. Exit Capacity Credit Arrangements (UNCTPD V3.3.4)

ST provided a presentation on the introduction of V3.3.4 Value at Risk (VAR) he highlighted that responses to 0915AV did raise concerns about V3.3.4.

It was recognised that there was a low risk of DNOs defaulting. ST provided a number of solutions and asked for feedback from Shippers. SL suggested that the better option would be to remove DNOs only from V3.3.4. National Grid NTS preferred this solution.

4.2. Independent Credit Assessments – RG0252

JF confirmed no further update was available.

4.3. Gas Long Term Vacant (LTV) Proposal

EC provided a presentation on a proposal for Long Term Vacant sites within the Gas market. She explained the current process and the access problems with obtaining reads. CW explained that there is an ability to isolate and withdraw these sites.

SM questioned the use of the LTV codes and the implementation of the process within the electricity market.

PB asked about the reinstatement of the site and removing the LTV classification. EC explained how the site ceases to be an LTV.

CW expressed concern about the safety aspects of sites having a commissioned gas supply and meter available when a site is vacant for a long period of time. CW challenged what is safe about identifying LTV sites without going through steps to prevent illegal offtake of gas.

The use of clamping and the benefits of this within the gas industry were discussed. SM explained that there are safety implications to consider within the gas market and highlighted that there are reasons for the current arrangements in place. SM explained that the existing route to isolate and withdraw would still exist and that this was an additional flag for consideration, particularly if the site is likely to become reoccupied. He suggested that all parties would like to consider the suggestion further.

JF questioned what would be the minimum period for sites being classified as vacant sites. EC suggested that two failed three monthly reads would suggest the need for a vacant site trigger.

The benefit of sites having an AQ of 1 and impacts on capacity charges were discussed and whether any reduction in capacity would cause cross subsidiary.

ST questioned the desire for Shippers to hold onto a vacant site and why they wouldn't want to isolate and withdraw. He was also unsure if the solution to change the AQ to 1 would achieve the desired effect and prevent illegal offtake of gas. LW explained that realistically a site would only have an AQ of 1 if it were vacant for 12 months or more.

ST believed it is a commercial decision for Shippers to hold onto a vacant site and was unsure if it was appropriate to avoid capacity charges for a site, which a Shipper wishes to retain on their portfolio to avoid reconnection issues for new occupier without paying the appropriate capacity charge.

EC confirmed she would find out more information of what happens to the capacity within the electricity market for a comparison and whether to raise the proposal for development or review.

4.4. NDM Demand Estimation

JM provided a presentation on the new NDM Demand Estimation Sample Report – Shipper Report. This was accompanied with examples of the Report, example file formats and an example email. JM explained that the intention is provide reports from 01 April 2010.

JM requested that Shippers provide xoserve with an email address for the delivery of monthly reports to: xoserve.demand.estimate@xoserve.com.

Action 0105: xoserve to request an email address from Shippers for the delivery of monthly Demand Estimation Reports.

4.5. Removal of Bottom Stop SOQ

Due to time constraints it was agreed to defer the provided presentation on Supply Point Capacity BSSOQ and Supply Point ratchets until the next Distribution Workstream Meeting.

4.6. Mechanism for Correct Apportionment of Unidentified Gas

CW provided a presentation on Ofgem RIA – UNC Modification Proposal 0229. He highlighted the concerns of DNOs, which he believed could be addressed by the industry.

He suggested the industry considers an alternate solution with a simplified AUGE tendering process.

ST acknowledged that Ofgem prefer UNC0229 and its likely implementation.

GE disagreed with some of the statements made within the presentation and was disappointed that these were not tabled within the development process or prior to publication of the Ofgem RIA. Nevertheless AB and GE were willing to work with Transporters on a further to proposal.

ST felt that Transporters had raised their concerns with regards to the contracting commitments. He believed UNC0229 was rushed through development to ensure it was available for the Ofgem RIA. He believed that Transporters were concerned about making the process work and that amendments were required to make the process work.

CW offered to draft paper on some suggested changes to the proposed modification, recognising that the current modification cannot be withdrawn or changed at this point and that a new modification would need to be raised to add clarity, responsibilities and ensure the process worked.

CW was keen to further develop UNC0229 having understood Ofgem's preference for the solutions considered within the RIA.

It was agreed that the Transporters and the proposer of UNC0229 would work on a further development of the process prior to the 02 February 2010 to enable further discussion.

Action 0106: Transporters and Shell Gas Direct to consider and further develop the principles of UNC0229.

It was agreed to create a new High priority Topic.

5. Diary Planning for Workstream

Tuesday 02 February 2010, 10:00, 31 Homer Road, Solihull (with teleconference facilities)

Thursday 25 February 2010, 10:00, Elexon, 350 Euston Road, London

Thursday 25 March 2010, 10:00, Elexon, 350 Euston Road, London

Thursday 22 April 2010, 10:00, Holiday Inn, 61 Homer Road, Solihull.

Distribution Workstream Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0803	27.08.09	3.4	National Grid Distribution (AR) to examine the possible timelines for a contracted disconnection service without access to customer premises.	National Grid (AR)	Carried Forward
Dis1003	22.10.09	3.5.2	EDF to provide some statistical evidence of threshold crossers from their portfolio.	EDF Energy (SL)	Carried Forward
Dis1101	26.11.09	2.1	UNC0248 - Shippers to provide an indication for likely demand/volume for read replacements and acceptable costs by volume band to the Joint Office.	All Shippers	Carried Forward
Dis1102	26.11.09	2.1	UNC0248 - EDF to clarify Business Rule 7. The Gas Transporter will publish a quarterly report detailing the number of meter reading replacements submitted by individual Shippers.	EDF Energy (SL)	Complete
Dis1103	26.11.09	2.2	All parties to provide any concerns to xoserve on the UNC0268 contingency arrangements	All	Closed
Dis1104	26.11.09	3.2	UNC0279 - Transporters to request a ROM for the development of a report solution for the provision of meter asset and meter read history.	Transporters	Complete
Dis1105	26/11/09	3.2	UNC0279 - xoserve to provide a response to the suggested 3 year period and potential system impacts.	xoserve (LW)	Closed
Dis0101	15/01/20	2.1	0248 – Amended Modification Proposal to be provided and inserted into the Draft Workstream Report.	EDF Energy (SL)	Pending
Dis0102	15/01/20	2.2	0271 - ROM to be produced on removing the 20% rule from the UNC in addition to the existing	xoserve (LW)	Pending

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			ROM.		
Dis0103	15/01/20	2.2	0271 – Transporters to consider the inclusion of ROM requests and their status within the UNC Modifications Register.	Transporters	Pending
Dis0104	15/01/20	2.3	0279 - xoserve to consider the reads that have failed tolerances and the likely costs of producing information on all portfolio gains within the ROM	xoserve (LW)	Pending
Dis0105	15/01/20	4.4	xoserve to request a an email address from Shippers for the delivery of monthly Demand Estimation Reports.	xoserve (LW)	Pending
Dis0106	15/01/20	4.5	Transporters and Shell Gas Direct to consider and further develop the principles of UNC0229	Transporters and Shell Gas Direct	Pending