Development Work Group 0194 Minutes
Friday 11 July 2008
Holiday Inn, 61 Homer Road, Solihull, B91 3QD

Attendees

Julian Majdanski (Chair)	JM	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Mitch Donnelly (Proposer)	MD	British Gas
Brian Durber	BD	E.ON UK
Chris Warner	CW	National Grid Distribution
Denis Aitchison	DA	Scotia Gas Networks
Fiona Cottam	FC	xoserve
James Crump	JC	Ofgem
Joanna Ferguson	JF	Northern Gas Networks
Linda Whitcroft	LW	xoserve
Phil Broom	PB	Gaz de France
Phil Lucas	PL	National Grid Distribution
Richard Dutton	RD	Total
Richard Street	RS	Corona Energy
Stefan Leedham	SL	EDF Energy

Apologies

Chris Hill	CH	RWE npower
Mark Jones	MJ	SSE
Shelley Rouse	SR	Statoil (UK)

1. Introduction and Status review

1.1. Minutes from previous meeting

FC provided three amendments to the 30 June 2008 minutes. All amendments have been made and the minutes republished.

The minutes of the previous meeting were approved.

1.2. Review of Actions from previous meeting

New Action 0013c: xoserve to examine RGMA flows for Meter bypass consumption reporting and provide an update.
Action Update: LW provided a presentation on the analysis of Meters with Bypass flags. This reported that there are 13,127 MPRNS on Sites & Meters with a Bypass indicator set to Y. 521 of which have an isolation flag set. Therefore a total of 12,606 MPRNs are live with a bypass flag. The presentation provided a further breakdown of the 12,606 MPRNs. CW highlighted two issues which Review Group 0208 will want to review relating to the use of bypasses for meter maintenance work not being followed up and the reporting of gas flows.
A discussion evolved around the statistics however it was unclear what proportion of gas could be attributed to the I&C market. The group discussed how to better manage meter bypass and what action could be taken to disable a meter bypass

which is not required. RS believed that the issue ought to be raised via MAMcop. It was agreed that the issue would be included in the scope of Review Group 0208
Action Complete.

Action 0015: British Gas to populate the RbD Allocation Table and provide the methodologies for the figures used.
Action Update: MD provided a presentation see item 2.1
Action Complete.

Action 0017: xoserve to provide the AQs for the sites which are likely to drop off from reconciliation
Action Update: LW provided a presentation on the AQ analysis of unregistered MPRNs pre April 2005, LW reported 686 MPRNS with a total of 47,411,520 kWh. RS raised concerns on the reliability of the AQs and thought that some of the sites may not be consuming gas. RD highlighted the possibility of overstating the AQ to allow for future site development. MD questioned the over booking of Capacity.
RD highlighted an issue with CSEPs which MD acknowledged but believed was a separate issue for the iGTs to consider.
LW highlighted that all these sites have had shipper activity. SL confirmed that the AQ for these sites is the only information available. RD expressed concern that if a site has remained unconfirmed for over 3 years it is not likely that the site will be confirmed in the near future. He suggested xoserve could write to each of the sites to ascertain the supplier with the consideration of isolation. It was agreed a process solution needs to be considered by Review Group 0208.
MD confirmed that until this problem is fixed there should be an allocation for unregistered sites within the RbD Allocation Table and until such time RG0208 resolves the process issues for unregistered sites, at which time the allocation could be removed.
Action Complete.

Action 0018: National Grid Distribution and xoserve to develop draft Business Rules.
Action Update: CW confirmed that these should be available for the next meeting.
Action Carried Forward.

Action 0019: National Grid to initiate a system impact assessment and investigate the likely development costs of creating a flag for advanced metered and DM elective sites.
Action Update: Ongoing
Action Carried Forward.

Action 0020: British Gas to produce worked up example of how the RbD Allocation Table will operate.
Action Update: MD provided a presentation see item 2.1
Action Complete.

2. Review Group Discussion

2.1. RbD Allocation Table

MD provided a presentation introducing the background to the Proposal and Ofgem's view of apportioning costs from the decision letter for Proposal 0115.

He believed the table was an enduring solution which could be further refined when for example, the level of unconfirmed sites reduces.

For governance of changes to the table, MD planned to create a provision for the UNC Committee to agree changes, with a right of appeal to Ofgem similar to the Shrinkage process.

RS was uncomfortable moving away from the Modification Rules process which allows Shippers to provide representations for Proposals which Panel members consider before voting. He also expressed concern on the balance of votes as small shippers were not represented.

MD believed that a workgroup could be formed with equal representation and consideration of an impact assessment before voting via the UNCC. MD wanted to create a process where industry consensus exists to amend the allocation table without having to seek Ofgem's direction.

PB believed that a self governing process was not suitable at this time and was unable to support such a mechanism.

CW asked if Ofgem would be able to provide an opinion on the route which ought to be taken. JC did not want to fetter Ofgem's discretion but was interested in ensuring the potential for self governance was considered.

PB expressed concern that the Modification process allows representations whereas a self governing process may not. FC provided examples of alternative consultation processes which are used for Demand Estimation and NDM algorithms. FC suggested something more defined may be required but these were examples where the consultation rules are within the UNC.

CW was concerned that self governance may hinder the Modification and affect representations. He believed that as there was an expressed concern with having self governance arrangements it may affect the success of the Proposal and that self governing arrangements could be considered at a later stage.

MD acknowledged the comments made and confirmed that he would consider these further.

MD then introduced a presentation which illustrated the methodologies and figures for consideration within the RbD Allocation Table.

He confirmed that the next steps were to review the numbers and methodologies, draft the Work Group Report, and develop Business Rules.

Some debate occurred about the methodologies within the presentation; RS disputed that 87% of unregistered sites energy is in the LSP, however MD highlighted that the 87% was derived by the AQ. RD questioned the 0.475TWh of unregistered sites energy approaching UNC0152 reconciliation cut off.

MD asked for thoughts on the unidentifiable element and how it could be allocated. PB suggested that if the unidentifiable element cannot be attributed, then perhaps it should stay allocated wholly to the RbD market.

CW confirmed that National Grid will provide an assessment of the presentation.

MD confirmed his intentions with regards to amending the Proposal and the possibility of raising two Modification Proposals. At the next meeting he wished to consider further the theft and unidentifiable elements.

3. Diary Planning for Review Group

10:00, 05 August 2008, Holiday Inn, 61 Homer Road, Solihull, B91 3QD.

10:00 12 August 2008, Solihull venue to be confirmed.

4. AOB

None.

ACTION LOG – Development Work Group 0194

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DG0194 013c	30/06/08	1.2	xoserve to examine RGMA flows for Meter bypass consumption reporting and provide an update.	xoserve	Complete
DG0194 0015	09/06/08	2.1	British Gas to populate the RbD Allocation Table and provide the methodologies for the figures used.	British Gas (MD)	Complete
DG0194 0017	30/06/08	2.2	xoserve to provide the AQs for the sites which are likely to drop off the reconciliation	xoserve (LW)	Complete
DG0194 0018	30/06/08	2.2	National Grid Distribution and xoserve to develop draft Business Rules.	National Grid (CW) and xoserve (FC)	Carried Forward
DG0194 0019	30/06/08	2.2	National Grid to initiate a system impact assessment and investigate the likely developmental costs of creating a flag for advanced metered and DM elective sites.	National Grid (CW)	Carried Forward
DG0194 0020	30/06/08	2.2	British Gas to produce worked up example of how the RbD Allocation Table will operate.	British Gas (MD)	Complete