

Development Work Group 0194 Minutes
Monday 09 June 2008
Ellexon, 350 Euston Road, London

Attendees

Julian Majdanski (Chair)	JM Joint Office
Helen Cuin (Secretary)	HC Joint Office
Mitch Donnelly (Proposer)	MD British Gas
Bali Dohel	BD Scotia Gas Networks
Chris Hill	CH RWE npower
Chris Warner	CW National Grid Distribution
James Crump	JC Ofgem
John Edwards	JE Wales & West Utilities
Linda Whitcroft	LW xoserve
Mark Jones	MJ SSE
Phil Broom	PB Gaz de france
Richard Street	RS Corona Energy
Shelley Rouse	SR Statoil (UK)
Stefan Leedham	SL EDF Energy

Apologies

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 DG0194 0003: All to consider suggested Work Plan and the data required in preparation for the next meeting

Action Update: Ongoing

Action Carried Forward.

Action DG0194 0009; Transporters to provide information, to assist understanding of how Shrinkage works, how it is charged and why it has changed.

Action Update: CW provided a Shrinkage presentation. **Action Complete**

Action DG0194 0010: Ofgem to provide any available data on the accuracy of meters by type.

Action Update: JC confirmed that there are some commercial aspects with releasing the data and hopes to resolve these to enable the provision of some information. PB questioned if the information held by Ofgem will be able to assist the group decision making process. MD questioned if more clarity of what information was required would assist the provision of information. MD suggested the group needed to understand if there was any bias in accuracy for each meter type, rather than individual models, i.e. do certain types of meter over record or under record, he also suggested the group would want to understand if there was any bias with age of meters in any direction.

Action Carried Forward

Action 0011: Theft of Gas and Unregistered site statistics to be provided and considered further.

Action Update: LW provided a Theft of Gas and Unregistered site statistical update, see presentations and items 2.1 and 2.2 **Action Complete**

Action 0012: Shrinkage information to be provided and to be considered further.

Action Update: CW provided a presentation see item 2.3. **Action Complete**

Action 0013: CW to report bypass activity.

Action Update: CW believed there are two issues, how often a bypass is used for maintenance and its duration and then the UNC obligation Shippers have to report the consumption used during a bypass. LW believed that generally the consumption information is not being provided. CW suggested that Shippers need to check internal processes for reporting Meter bypass consumptions. **Action Complete**

New Review Group 0208 Action: Shippers to check internal processes for reporting Meter bypass consumption when a bypass has been used.

2. Review Group Discussion

2.1. Theft of Gas

LW provided an update on the Theft of Gas Statistics providing an explanation to the 43% Total Reported Stolen.

MD asked for clarification on the definition of Cleared CCAC. LW confirmed that these are reported theft allegations which require further investigation by the Shipper but are closed automatically after 80 days as they have not been confirmed as valid or invalid theft allegations.

RS highlighted a percentage calculation error in the Theft Of Gas Contacts Cleared as invalid between 01 Jul 03 and 31 March 08 statistics provided by xoserve. LW confirmed that an updated set would be provided for publishing on the website.

Action 0014: xoserve to provide a corrected copy of the Theft of Gas statistics for publishing on the Joint Office website.

A discussion took place around the ERA/ENA recommendations paper regarding Theft of Energy, which went to Ofgem last year. It was agreed that this should be reviewed.

Review Group 0208 Action: "ERA/ENA recommendations paper regarding Theft of Energy" to be reviewed.

LW highlighted that there is no means to bill I&C Shippers when the Theft of Gas consumption has been reported. She confirmed that she would investigate and report what process is undertaken for DM sites. It was agreed that this would require further investigation.

Review Group 0208 Action: xoserve to investigate and report the ability to bill for reported Theft of Gas consumption.

The proportion of invalid Theft of Gas investigations was discussed and the difficulty of proving actual theft when a theft of gas allegation has been made.

MD questioned if xoserve contact Shippers to understand why queries are closed. LW confirmed she would enquire and report on the interaction between Shippers and xoserve for clearing queries.

Review Group 0208 Action: xoserve to investigate and report on the xoserve/Shipper interaction when clearing Theft of Gas allegations.

It was acknowledged that in the last 5 years, 401 allegations of I&C theft have been identified. However only a very small proportion had proved to be valid and that some of allegations had timed out and are therefore deemed invalid. RS questioned if Shippers ought to have an incentive to ensure all allegations are responded to. PB suggested the possibility of considering a back stop process for allegations not reported on.

CW challenged what the next steps for the group were having considered xoserve's Theft of Gas analysis. CW questioned if the statistics indicate an I&C split of 3.36% for Theft of Gas allocations. RS believed that the figures may not be representative. MD suggested in the absence of any better information the figures provided by xoserve should be used within the RbD Allocation Table. He agreed to populate the table and provide an explanation for the figures used.

Action 0015: British Gas to populate the RbD Allocation Table and provide the methodologies for the figures used.

It was agreed that further consideration was also required by Review Group 0208 on how to bill for Theft of Gas energy and how to encourage Shippers to respond within 80 days of any allegations.

Review Group 0208 Action: All to consider the billing of Theft of Gas energy and a process to encourage Shipper responses to theft allegations.

MD confirmed that the Annex would need to be reviewed each time there was a regime change on the items residing in the RbD Allocation Table to ensure these allocations remain appropriate.

MD and RS asked Ofgem how scientific the table's figures needed to be for Ofgem to accept. The group accepted that for example, the Theft of Gas figures may be the best that can be achieved. JC suggested that Ofgem would seek to understand the methodology for the figures proposed.

RS highlighted that an action had been taken to look at how much energy was entering a particular geographical area compared to actual consumption, but due to the degree of error it was decided it would be unwise to use this approach.

RS asked if a member of the Theft of Gas team could attend the next Review Group 0208 meeting to consider the process further.

Review group 0208 Action: xoserve to provide details of the Theft of Gas process at the next Review Group 0208 meeting.

2.2. Unregistered Sites

LW provided an update on the Unregistered Sites presentation provided last month. The update included an analysis between the S&M Confirmation date and C&D Meter work date. This gave an indication of the typical Shipper behaviours.

LW confirmed that xoserve are still investigating the number of late confirmations with a new meter index.

The group talked about the perverse incentives relating to Unregistered Sites.

LW explained how negative days have been calculated for the LSP data. This is possible where a site has been confirmed before an actual meter is fitted.

MD questioned how many sites have a meter fitted but no confirmation. LW confirmed that approximately 19% of LSP sites have had some activity such as an update on the C&D store but are not registered.

RS confirmed that he would prefer appropriate processes to be put in place to resolve the underlying issues. CW confirmed Review Group 0208 could examine this. He also suggested that possible process improvement from I&C Shippers could result in the figures used in the RbD Allocation Table also being improved.

LW suggested that xoserve may be able to identify what month xoserve identified an activity for a site but remain unregistered.

Action 0016: xoserve to report the ages of Unregistered Sites.

MD welcomed this information as this will establish the level of the associated risk.

RS believed a case by case examination may need to be undertaken.

The 31% of unregistered site USNANA was briefly discussed.

2.3. Shrinkage

CW gave a presentation provided by Kerri Matthews which will also be provided at the next Billing Operations Forum.

A number of questions were asked about Shrinkage which CW confirmed he would have to investigate further a report back. These were as follows:

SL asked if CV Shrinkage is included.

SL questioned when National Grid Shrinkage Manager last undertook a test on the leakage from PFE pipes.

MD asked why the reconciliation model, which sets factors at the beginning of the year and reconciles the model forecast at the end of the year resulting in either a credit or debit, only applies this to RbD.

SL wished to understand what can cause the variants between forecast and actual data.

RS questioned the perceived Transporter Theft and asked for evidence to support this.

2.4. Meter Bypass

The group agreed there was no further update to that provided for Action 0013.

2.5. Meter Accuracy

The group agreed was no further update to that provided for Action 0010.

2.6. RbD Allocation Table

MD confirmed his intention to have a completed RbD Allocation Table for further consideration of the table and the methodologies at the next meeting.

3. Diary Planning for Review Group

10:30, 30 June 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 003	28/02/08	4.0	All to consider suggested Work Plan and the data required in preparation for the next meeting	All	Carried Forward
DG0194 0009	27/03/08	2.3	Transporters to provide some information to understanding how Shrinkage works, how it is charged out and why Shrinkage has changed.	Transporters	Complete
DG0194 0010	27/03/08	2.4	Ofgem to provide any available data on the accuracy of meters by type.	Ofgem (JC)	Carried Forward
DG0194 0011	13/05/08	2.3	Theft of Gas and Unregistered site statistics to be provided and considered further.	xoserve (FC)	Complete
DG0194 0012	13/05/08	2.3	Shrinkage information to be provided and to be considered further.	National Grid (CW/KM)	Complete
DG0194 0013	13/05/08	2.4	CW to report bypass activity.	National Grid (CW)	Complete
DG0194 0013b	09/06/08	1.2	Shippers to check internal processes for reporting Meter bypass consumption when a bypass has been used.	Shippers	Pending
DG0194 0014	09/06/08	2.1	xoserve to provide a corrected copy of the Theft of Gas statistics for publishing on the joint Office website.	xoserve (LW)	Pending
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)	Pending
DG0194 0016	09/06/08	2.2	xoserve to report the ages of Unregistered sites.	xoserve (LW)	Pending