

Development Work Group 0194 Minutes

Thursday 27 March 2008

Elxon, 350 Euston Road, London

Attendees

Julian Majdanski (Chair)	JM Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC Joint Office of Gas Transporters
Mitch Donnelly (Proposer)	MD British Gas
Bali Dohel	BDo Scotia Gas Networks
Brendan Cooper	BC Gaz de France
Brian Durber	BDu E.ON UK
Chris Hill	CH RWE Npower
Fiona Cottam	FC xoserve
James Crump	JC Ofgem
John Edwards	JE Wales and West Utilities
Linda Whitcroft	LW xoserve
Mark Jones	MJ SSE
Nick Wye	NW Waters Wye
Phil Broom	PB Gaz de France
Richard Dutton	RD Total Gas and Power
Simon Trivella	ST Wales & West Utilities

Apologies

Chris Warner	CW National Grid Distribution
Shelley Rouse	SR Statoil (UK)
Stefan Leedham	SL EDF

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 0004: All to consider Governance.

Action Update: See item 2.1. Further consideration required.

Action Carried Forward

Action DG0194 005: DNs to provide information on the use of correction factors

Action Update: PL confirmed that the correction factors depend on the altitude and pressure, but below 73,200 Kwh there is a standard correction factor. It was confirmed that the CV is geographical. MD was unsure if recent changes have

resulted in a standard national correction factor which could be skewing the RbD figures and could be overstating consumption. He believed that within the Shrinkage Factors that there was a localised correction however he understands this has now been removed. Further clarification was required.

Action Carried Forward

Action DG0194 006: xoserve to provide information on the Verification process.

Action Update: See item 2.2. Further clarification was required.

Action Carried Forward

Action DG0194 007: All to consider the discussed categories further and consider if any additional ones should be included within the table.

Action Update: Ongoing

Action Carried Forward

2. Review Group Discussion

2.1. Governance

MD summarised the options for governance discussed at the last meeting. NW believed it would be useful to have an annual review process

The use of Ancillary agreements and UNC related documents were discussed. No preference was made as to whether the table ought to be contained in an Ancillary agreement, a UNC related document or incorporated into the UNC. Although initial thoughts were that the table ought to be included within the UNC and governed by the UNC Modification Process. BDo suggested SGN would want the table to sit outside the UNC.

It was agreed that further consideration was required and where possible a legal opinion should be sought from one of the Transporters.

2.2. Verification

FC provided an overview of RbD Verification.

MD confirmed that xoserve are concerned about the sample size as it has significantly reduced. MD highlighted that the costs of the sample are completely borne by British Gas and that no financial recovery is undertaken. He acknowledged that the sample was diminishing but he was unsure if British Gas would want to invest further money improving the sample where there would be no cost recovery.

MD suggested as the verification sample is solely provided by British Gas it may not be truly reflective of the market. He suggested that other Shippers could provide some of the sample.

MD confirmed that the RbD Subgroup will be meeting on 08 April 2008 and will be considering Verification. He believed it would be beneficial for the Development Work Group to receive an update report from this group.

Action DG0194 008: xoserve to provide an update on Verification from the RbD Subgroup of the Billing Operations Forum.

2.3. Correction/Shrinkage/Under allocated Site mechanisms

It was agreed it would be useful to understand the changes made to Shrinkage assessment.

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

2.4. Further consideration of Table Categories

RS believed that some meter reading equipment may be under-recording and that this may be the cause of any potential misallocation.

MD considered that it would be unlikely that the bias would be only one way, any recording errors should statistically balance each other out.

It was acknowledged that Ofgem had undertaken analysis of meter accuracy and that this information would be useful to identify any possibility of bias in one direction.

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

RD believed that the Development Work Group may want to consider splitting the categories by geographical location as behaviour may differ. He also suggested that CSEP impacts may also want to be considered. There was a general consensus to look at all categories per LDZ. However LW highlighted that this may complicate calculations. It was agreed that when the categories within the Allocation Table are considered further, geographical differences will be considered.

It was agreed that there would be no further changes to the categories listed within the Terms of Reference.

It was agreed to remove LDZ Meter Errors from the table as it would be double counting.

3. Diary Planning for Review Group

It was agreed to cancel the meeting planned for 09 April.

Next Meeting: Approximately 13:30, 24th April at 31 Homer Road, Solihull, (following the Distribution Workstream and RbD Audit Subcommittee Meeting).

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	Ongoing
DG0194 004	13/03/08	3.1	All to consider Governance.	All	Ongoing
DG0194 005	13/03/08	3.2	DNs to provide information on the use of Correction Factors	All DNs	Carried Forward
DG0194 006	13/03/08	3.2	xoserve to provide information on the Verification process.	xoserve (FC)	Ongoing
DG0194 007	13/03/08	3.2	All to consider the discussed categories further and consider if any additional ones should be included.	All	Ongoing
DG0194 0008	27/03/08	2.2	xoserve to provide an update on the Verification from the Billing Operations Forum.	xoserve (FC)	Pending
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	Pending
DG0194 0010	27/03/08	2.4	Ofgem to provide any available data on the accuracy of meters by type.	Ofgem (JC)	Pending