

## Introduction of a process to manage Long Term Vacant sites

### UNC0282 Minutes

10:30 Tuesday 05 October 2010

Holiday Inn, 61 Homer Road, Solihull

#### Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Alison Jennings	AJ	xoserve
Chris Warner	CW	National Grid Distribution
David Watson	DW	British Gas
Karen Kennedy	KK	Scottish Power
Linda Whitcroft	LW	xoserve
Mark Jones*	MJ	SSE
Robin Healy	RH	RWE npower
Simon Trivella*	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy
Steve Mulinganie	SM	Gazprom
Tabish Khan	TK	Ofgem

\*Teleconference

#### 1. Introduction and Status Review

##### 1.1. Minutes from the previous meeting

The minutes from the previous meeting were approved.

ST requested a clarification to a comment made by Joel Martin within Section 2.1 "*JM also pointed out that a site is not set to dead unless a site has been isolated and withdrawn*". He wished to clarify that an MPRN does not automatically become dead through this process, the DNs would need to undertake physical works in order to change the status to dead.

##### 1.2. Review of actions from previous meetings

**Action 0282 006:** xoserve to consider the system implications of excluding LTV sites from the AQ Review Process.

**Action Update:** LW anticipated that the LTV process would follow that of the isolations process. **Complete.**

**Action 016:** Shippers to send the Joint Office details of last years sites that could have been declared LTV with an AQ value to determine how much energy could be smeared into RbD and avoided by that Shipper. This will be aggregated and summarised at the next meeting.

**Action Update:** It was agreed to raise awareness of this action as an AOB at the next Distribution Workstream excluding isolated sites. **Carried Forward.**

**Action 017:** Shippers to provide examples of vacant site durations to determine typical length of vacant sites.

**Action Update:** KK believed that typically vacant site durations tend to be between 6-9 months. It was agreed to raise awareness of this action as an AOB at the next Distribution Workstream. **Carried Forward.**

**Action 019:** Shippers to provide a view on the inclusion of Vacant sites within the RbD smear.

**Action Update:** It was concluded that the process would follow the isolation process in that LTV sites won't be included in RbD, however if consumption advances a full reconciliation will take place the same as the isolation process. DW believed it should be included in RbD. **Complete.**

**Action 020:** Further consideration to be given on the data items, format and frequency of the reporting (KK and xoserve).

**Action Update:** KK provided details within the Business Rules. **Complete.**

**Action 021:** Further consideration to be given to Mod640 Charges and appropriate Business Rules.

**Action Update:** See item 2.1 Business Rules. **Carried Forward.**

## 2. Review Group Discussion

Whilst discussing the actions, the group considered the need to extend the modification development timescales, the inclusion of the business rules and the inclusion of potential numbers of vacant sites. The group also discussed the cost of creating the process, AJ explained that the cost to develop the system to recognise vacant sites would be the same whether there was one or more than one site. LW expressed concerns on how the system would cope without an up to date read. It was also questioned if additional validations were required. xoserve was cautious of volumes and how these volumes may affect the capability of the system, as the system would need to consider every read submitted and if any of these had been flagged as a vacant site. The group was aware of the need to finalise the business rules, have the information on likely demand for service and finalise the Workstream report. BF suggested having the next meeting with other Workstream items to allow the completion of the report and discussion of other Workstream items.

### 2.1. Business Rules

KK provided a set of amended Business Rules, referencing that the process is for NDM small supply points.

CW asked about threshold crossers, KK explained that the site would be taken out of the process. SM challenged how this could happen if the site is vacant. LW explained that the site might have been incorrectly classified as an SSP in a previous period and need to change as part of the AQ Review Process. CW asked who would remove the flag. LW suggested the site could not remain an SSP, therefore xoserve would remove the LTV status and notify the Shipper.

The inclusion of certain rules in the UNC was discussed and whether the rules around the attempts to read the meter no less than 75 days and no more than 215 calendar days ought to be in SPAA or in the UNC.

SM questioned why the process wouldn't sit in the UNC as with isolations. He expressed concern about the LSP exclusion and if a modification were raised as an alternate to include LSP, then he would like to see the rules set out in the UNC. CW questioned what is being warranted in the UNC. SM was concerned about parties accessing this product without sufficient control. The SPAA schedule should dictate how to comply with the rules within the UNC.

The business rules allowed for the continuation of meter read submission if these were available to provide confirmation that the site is not consuming

gas, where it has advanced the site will be set back to live. CW asked about the system functionally.

LW was concerned about identifying when consumption has taken place. Without a read at the start of the process it would be difficult to determine when consumption has taken place during its time as an LTV. SM asked about site transfers and a transfer read that suggests some advance, either before the site was classified as an LTV or during.

SM asked how the advanced consumption would be treated. KK explained that the consumption may have occurred before the site was classified as vacant, however it was acknowledged this would be unable to be validated. It was determined that consumption would be assumed to have taken place before a site was made vacant particularly for a change of supplier with an advanced read, unless there was further advanced readings.

CW explained that the gas in this situation would not be deemed.

DW asked how he would be able to validate if any advanced read was before or during the LTV process and ought to come out of the LTV status. KK suggested that a further advanced read would provide a validation of no further advance or a further advance.

LW asked how the sites would be billed when it is identified an advance in the index has taken place. It was suggested that if Transporters are provided with an advanced read but the site signals suggests a vacant site, it would be unclear when the consumption took place, the Transporters would effectively ignore the first advanced reading as this could have been consumption prior to the LTV status start point. However, if a second advanced reading is submitted for a vacant site the site would need to be taken out of the process. LW explained for every read submitted to xoserve, they would have to check if the site was LTV and then have to check if an advanced read has been provided – this may have system impacts. It was asked who would remove the flag, AJ explained that Transporters do not remove the isolation flag if they identify a site is consuming gas. It was made clear that Transporters would not change the status and it would be inappropriate to change site details it needs to be the Shipper that requests the change.

SM questioned if there was an end point, it was clarified there was not an automatic end point. Some concern was expressed that this could result in reads flowing with an LTV. LW questioned when a site would be billed and whether this would be on a monthly basis or left until the flag is removed and billed all at once for any consumption. It was recognised that the isolation model does not make the site live, however SM expressed concern that there is no incentive to remove the LTV flag and exit the scheme.

LW pointed out the action for Shippers to indicate the typical period for vacant sites to allow the scheme to target a date whereby isolations should be considered.

LW expressed that a cumulative report may wish to be considered to report the number of sites classified as LTV and the number exiting the scheme.

SM asked about the availability of the service for smart metered sites.

It was confirmed that billing would take place when the flag is removed, but again concern was expressed that there is no incentive to remove the flag. If the Shipper takes no action to remove the flag a bill would not be triggered. It was discussed whether the reporting mechanism ought to pick up on sites with advanced reads with an LTV flag still in place preventing bills.

It was envisaged the report should provide the number of sites flagged LTV with advanced reads, to highlight such instances. These would be advised to the Shipper and the Shipper will need to take action.

LW asked if there ought to be a consideration for a similar charge to the Mod0640 charge to encourage correct behaviours.

LW suggested that xoserve might need to undertake a rule analysis to assist with the production of the ROM. In particular for the treatment of reads.

CW questioned if reports should be industry reports or reports by choice. SL suggested that these could be industry reports that the Shipper can have by choice. SL asked if the reports would be available on AID, it was envisaged the reports would be provided monthly but not via AID.

The need to consider Shipper Short Codes within reporting was questioned. SL suggested that this would assist Shippers with multiple licences with different Short Codes.

DW asked the report not to detail the total number of sites but rather a percentage of sites in the LTV process from the portfolio, as this would be more useful as it would be easier to identify British Gas.

It was agreed that if a site status was changed to isolated the LTV flag would be removed.

LW explained that xoserve systems would need to look at all the submitted reads, check if a site is live or an LTV site and then check if a previous read has been submitted, along with the reporting requirements. The system functionally needs to be built to undertake this and provide any statistics. DW asked about sites that Transporters have advised Shippers of advanced meter reads.

LW suggested a report ought to be provided to Shippers to advise them the sites that are LTV with two or more advanced meter reads on a monthly basis. She also suggested having a report that provides an age analysis for LTVs. LW also questioned which parts of the reports would want to be snapshots and which would want to be cumulative.

CW asked if Shippers would be able to opt out of the reports. It was suggested industry reports could not be opted out from, but additional reports may be requested using bi-lateral arrangements.

**Action 022:** xoserve to consider the rules analysis and the ability to provide cumulative reports.

KK agreed to review the amended Business Rules from today and provide a final copy to the Joint Office and National Grid to request a ROM.

**Action 023:** ROM to be requested.

SL asked xoserve for an early indication of when the rules analysis or ROM may be produced to help manage expectations. LW agreed to provide an update on the progress of analysis at the next meeting.

TK asked if the potential demand for the system would cause any system capacity issues. LW believed at this early stage that capacity may not be an issue, however this will be identified within the rules analysis.

It was acknowledged that the Business Rules should be added to Proposal for it to be a formal part of the proposal.

## **2.2. Workstream Report**

Consideration of the Workstream Report was deferred.

## **3. AOB**

None raised.

## **4. Diary Planning for Workstream**

The focus of the next meeting will be to re-consider the following aspects of the Business Rules:

- Rules and update
- Demand for Vacant Site Service
- Workstream Report

and will take place on Friday 12 November 2010, 10:30 at a Solihull venue to be confirmed.

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**UNC0282 Action Table**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0282 006	24/05/10	2.1	xoserve to consider the system implications of excluding LTV sites from the AQ Review Process.	xoserve (LW)	Complete
0282 016	25/08/10	2.3	Shippers to send the Joint Office details of last years sites that could have declared LTV with an AQ value to determine how much energy could smeared into RbD and avoided by that Shipper. This will be aggregated and summarised at the next meeting.	All Shippers	Carried forward
0282 017	25/08/10	2.3	Shippers to provide examples of vacant site durations to determine typical length of vacant sites.	All Shippers	Carried forward
0282 019	25/08/10	2.4	Shippers to provide a view on the inclusion of RbD within smear.	All Shippers	Complete
0282 020	20/09/10	2.1	Further consideration to be given on the data items, format and frequency of the reporting (KK and xoserve).	Scottish Power and xoserve (SP/LW)	Complete
0282 021	20/09/10	2.1	Further consideration to be given to Mod640 Charges and appropriate Business Rules.	All	Carried Forward
0282 022	05/10/10	2.1	Consider the rules analysis and the ability to provide cumulative reports.	xoserve (LW)	Pending
0282 023	05/10/10	2.1	ROM to be requested.	National Grid Distribution (CW)	Pending