

Distribution Workstream Minutes

Tuesday 12 October 2010

Teleconference

Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Cesar Coelho	CC	Ofgem
Chris Hill	CH	First:Utility
Chris Warner	CW	National Grid Distribution
Colin Thomson	CT	Scotia Gas Networks
Darren Lindsey	DL	E.ON UK
David Watson	DW	British Gas
Jonathan Wisdom	JW	RWE npower
Karen Kennedy	KK	Scottish Power
Lorraine Kerr	LK	Scottish Power
Mark Jones	MJ	SSE
Phil Lucas	PL	National Grid Distribution

1. Introduction and Status Review

1.1. Minutes from the previous meeting

The minutes of the previous Distribution Workstream Meeting will be approved on the 28 October 2010.

1.2. Review of actions from previous Distribution Workstream meetings

Action Dis0802: UNC 0292/0293 - Shippers to submit data for zero, 5%, 10% and 15% on banding to xoserve as soon as possible. xoserve to understand/assess data and undertake further analysis in terms of the information received in terms of banding width provided (zero, 5%, 10% and 15%).

Action Update: Some data has been provided to xoserve, which has been used to make some assumptions on the possible number of amendments. It was agreed to leave this action open to allow Shippers to provide numbers at the next Workstream. **Carried Forward.**

Action Dis0803: UNC0292/0293 - xoserve to 1) clarify what the cap would have to be to cope with continuous submissions over the assumed period; and 2) assess the cost of doubling the existing capacity of the system.

Action Update: LW to provide an update to the previously provided presentation relating to point (2) to be carried forward. **Carried Forward (point 2)**

Action Dis0804: UNC0292/0293 - The Proposer to assess ramifications of profile amendments and consider addressing within the Proposal(s) 0292/0293.

Action Update: Complete.

Action Dis0807: UNC0326 – The Proposer to amend the Proposal to reflect the discussions and speak to xoserve to clarify future requirements.

Action Update: LK discussed invoicing issues, some changes have been considered for the proposal. It is anticipated the modification will be amended for further discussion. **Carried Forward.**

Action Dis0808: 0045Dis, Handling of Emergency Situations at Priority Customer Sites – Provide a statement of the actions/approach to be taken by Transporters when attending commercial that should be considered a priority.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0809: 0047Dis, Third Energy Package - Ofgem to consider 'ownership', the appropriateness of separate meetings, and the provision of some guidelines in respect of DECC's expectations.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0810: 0049Dis - Confirm if this applies just to the sites in scope.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0811: 0049Dis - Transporters to give further consideration to: Opening reads – how should these be addressed on 01/10 (for transfers only); duplicate confirmations; customers who transfer to another Supplier on 01/10; delayed appeals; referrals process; objections – what happens when these occur; and what are the consequences of retaining an Interruptible flag?

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0901: UNC0292/0293 – Shippers to provide an estimate regarding 5-15% banding and potential energy saving within each band.

Action Update: It was agreed that this may be required to help define the benefits of the proposal. **Carried Forward.**

Action Dis0902: UNC0292/0293 – xoserve to establish the cost of a DCA and associated timescales for provision.

Action Update: Discussions ongoing. **Carried Forward.**

Action Dis0903: UNC0292/0293 – Shippers to send suggestions regarding scheduling of SSPs within the window to KK, together with any identified related issues.

Action Update: **Closed.**

Action Dis0904: UNC0292/0293 – xoserve to provide submission profiles for at least 2008, 2009 and 2010.

Action Update: Ongoing. **Carried Forward.**

Action Dis0905: UNC0296 - Check that the amended Proposal has addressed each of Ofgem's concerns put forward in relation to UNC0253.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0906: SM to consider comments received and amend the Proposal prior to the October Panel.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0907: UNC0330 - All to provide further comments/ suggestions to MR by 07 October 2010 for consideration/inclusion in the Proposal; MR to revise Proposal as appropriate.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0908: UNC0331 - Review the suggested text and make sure it mirrors the changes proposed, with a view to completing the draft Report at next month's meeting.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0909: 0047Dis Third Energy Package – 1) Revise table and make available to Shippers for completion, via Joint Office website. 2) Shippers to complete and return to xoserve and Ofgem for initial consideration.

Post Meeting Note: Revised table was provided and published to Joint Office website and is available for Shippers to download, complete, and return to xoserve and Ofgem.

Action Update: Action not reviewed. **Carried Forward.**

2. Modification Proposals

2.1. Proposal 0292: Proposed change to the AQ Review Amendment Tolerance for SSP sites

KK explained that Scottish Power are looking to withdraw UNC 0293 - Proposed removal of the AQ Review Amendment Tolerance for SSP sites leaving UNC 0292 in situ but amended to cover 5% tolerance.

KK explained that Scottish Power have looked at a 50 day amendment period which could cater for 12.5 million meter points leaving a weeks window at the start of the period to allow time for calculations. She explained that the first five days would not be profiled/constrained.

KK suggested that amendments could be where there is any difference, the 5% rule and daily profile would not apply to large supply points, and that AQ referrals would be referred directly to Shippers for investigation.

KK suggested having an informal arrangement (non-codified) with a daily profile set for each shipper notified at the beginning of gas year. The non-codified process would allow offline arrangements and would ask Shippers to act in line with arrangements. She suggested that xoserve could monitor submissions alerting Shippers of available capacity, to allowing the use of any spare capacity. The process would rely on xoserve to: contact shippers if there were any problems with processing, monitor behaviour and ask Shippers to comply with volumes.

DW enquired about the 50 day period and the wording - scheduled manner, KK explained that xoserve would look at the market share and assign shippers a daily allowance on 01 May each year. Sharing system availability.

DW asked about the AQ referrals back to Shippers. He explained that BGT's AQ review process is automated and any referral is not likely to be amended from the original submission. KK explained if sites were referred back, Shippers would need to resubmit. DW believed xoserve would have to consider this process and appropriate wording added to the UNC for this part of the process. DW also questioned the incentives for Shippers to operate in line with the arrangements. He was unsure how Shippers would be incentivised to operate inline with the code of practise if there are no repercussions. DW explained that Shippers are likely to just send through what has been done in one day. He believed that that relying on goodwill is not enough to ensure the process works. JW agreed.

MJ asked about changing the percentages. KK pointed out that information has been requested but not always provided. MJ asked about the possibility of rejection for 5%-20% changes and leaving the referrals process as is.

MJ also asked about the option of allowing xoserve to process files in line with available capacity for each day. He was concerned that shippers may hold back files when there is spare capacity. KK highlighted that xoserve should be able to confirm spare capacity. MJ suggested that files could be submitted by Shippers irrespective of a daily allowance and any files above the daily allowance will be processed by xoserve if there is spare capacity.

MJ gave an example whereby a Shipper is given a weekly rolling allowance 50k a day, if they sent in 350k on one day these would be processed over a week with at least 50k per day, allowing xoserve to process any extras where there is spare capacity without holding files back. JW liked this idea but it was not clear what xoserve's response would be to this. BF pointed out there would need to be a cut off towards the end of the process to allow outstanding files to be completed and to avoid large stockpiling.

KK was concerned on how to ensure all Shippers would get fair processing. MJ suggested that files would be processed on Shippers firstly by the daily allowance and then if there is unused capacity from another Shippers daily allowance. KK was concerned about the monitoring xoserve would have to undertake.

CW suggested setting out rules for AQ amendments, how files may be processed using a reference document referred to in the UNC. He asked for the rules to be set out to consider at the 28 October Distribution Workstream.

Action 1001: Rules to be outlined for AQ Amendments, considering how files will be processed.

Action 1002: Transporters to obtain a view from xoserve on managing a daily allowance.

2.2. Proposal 0293: Proposed removal of the AQ Review Amendment Tolerance for SSP sites

KK confirmed withdraw over the next few days.

2.3. Proposal 0326: Allocation of unidentified gas following the appointment of the Allocation of Unidentified Gas Expert (AUGE)

See Action update Dis0807.

3. Topics

3.1. 0047Dis, Third Energy Package

BF highlighted the publication of the Third Energy Package by xoserve, and that responses were required by mid October.

3.2. New Topics

None raised.

4.0 Any Other Business

4.1 UNC0282 - Introduction of a process to manage Vacant sites

At the request of the UNC0282 meeting attendees BF highlighted two actions from the meetings, which require a response from Shippers:

Action UNC0282 016: Shippers to send the Joint Office details of last years sites that could have been declared LTV with an AQ value (excluding isolated sites) 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 UNC0282 017: Shippers to provide examples of vacant site durations to determine typical length of vacant sites.

BF confirmed that the Joint Office had not received any information regarding these actions. KK advised that Scottish Power would be providing some information shortly requesting others Shippers to also provide a response.

BF confirmed the aspiration to bring UNC 0282 back into the Workstream with an additional meeting on 12 November 2010 at 31 Homer Road, Solihull. The aim will be to start the Workstream Report at the 28 October 2010 meeting.

KK confirmed that she would approach xoserve regarding the cost analysis.

5.0 Diary Planning for Workstream

The next meetings are scheduled as follows:

- Thursday 28 October 2010, 10:15, 31 Homer Road, Solihull
<http://www.gasgovernance.co.uk/dist/281010>
- Friday 12 November 2010, 10:30, 31 Homer Road, Solihull (primarily for UNC0282 and any other items not discussed from 28 October 2010)
<http://www.gasgovernance.co.uk/dist/121110>
- Thursday 25 November 2010, 10:00, Elexon, 350 Euston Road, London

Distribution Workstream Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UNC 0282016	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 (excluding isolated sites) 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
UNC 0282017	25/08/10	2.3	Shippers to provide examples of vacant site durations to determine typical length of vacant sites.	All Shippers	Carried forward
UNC 0282021	20/09/10	2.1	Further consideration to be given to Mod640 Charges and appropriate Business Rules.	All	Carried forward
UNC 0282022	05/10/10	2.1	Consider the rules analysis and the ability to provide cumulative reports.	xoserve (LW)	Carried forward
UNC 0282023	05/10/10	2.1	ROM to be requested.	National Grid Distribution (CW)	Carried forward
Dis0802	26/08/10	2.1	UNC 0292/0293 - Shippers to submit data for zero, 5%, 10% and 15% on banding to xoserve as soon as possible. xoserve to understand/assess data and undertake further analysis in terms of the information received in terms of banding width provided (zero, 5%, 10% and 15%).	ALL Shippers and xoserve (AM)	Carried forward
Dis0803	26/08/10	2.1	xoserve to 1) clarify what the cap would have to be to cope with continuous submissions over the assumed period; and 2) assess the cost of doubling the existing capacity of the system.	xoserve (AM)	Part 1- Completed Part 2 –Carried forward
Dis0804	26/08/10	2.1	The Proposer to assess ramifications of profile amendments and consider addressing within the Proposal(s) 0292/0293	Scottish Power (LK)	Complete
Dis0807	26/08/10	2.5	0326 - Amend the Proposal to reflect the discussions and speak to xoserve to clarify future requirements.	Scottish Power (LK)	Carried forward

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0808	26/08/10	3.1	0045Dis, Handling of Emergency Situations at Priority Customer Sites – Provide a statement of the actions/approach to be taken by Transporters when attending commercial that should be considered a priority.	Wales & West Utilities (ST)	Carried forward
Dis0809	26/08/10	3.3	Action Dis0806: 0047Dis, Third Energy Package - Ofgem to consider 'ownership', the appropriateness of separate meetings, and the provision of some guidelines in respect of DECC's expectations.	Ofgem (AW)	Carried forward
Dis0810	26/08/10	3.5	0049Dis - ST to confirm if this applies just to the sites in scope.	Wales & West Utilities (ST)	Carried forward
Dis0811	26/08/10	3.5	0049Dis - Transporters to give further consideration to: Opening reads – how should these be addressed on 01/10 (for transfers only); duplicate confirmations; customers who transfer to another Supplier on 01/10; delayed appeals; referrals process; objections – what happens when these occur; and what are the consequences of retaining an Interruptible flag?	Transporters	Carried forward
Dis0901	23/09/10	2.1	UNC0292/0293 – Shippers to provide an estimate to xoserve regarding 5-15% banding and potential energy saving in each band	ALL Shippers	Carried forward
Dis0902	23/09/10	2.1	UNC0292/0293 – xoserve to establish the cost of a DCA and associated timescales for provision.	xoserve (LW/AM)	Carried forward
Dis0903	23/09/10	2.1	UNC0292/0293 – Shippers to send suggestions regarding scheduling of SSPs within the window to KK, together with any identified related issues.	ALL Shippers	Complete
Dis0904	23/09/10	2.1	UNC0292/0293 – xoserve to provide submission profiles for at least 2008, 2009 and 2010.	Xoserve (LW)	Carried forward

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0905	23/09/10	2.3	UNC0296 - Check that the amended Proposal has addressed each of Ofgem's concerns put forward in relation to UNC0253.	Ofgem (TK)	Carried forward
Dis0906	23/09/10	2.4	UNC0314 – Consider comments received and amend the Proposal prior to the October Panel.	Gazprom (SM)	Carried forward
Dis0907	23/09/10	2.6	UNC0330 - All to provide further comments/ suggestions to MR by 07 October 2010 for consideration/inclusion in the Proposal; MR to revise Proposal as appropriate.	ALL and SSE (MR)	Carried forward
Dis0908	23/09/10	2.7	UNC0331 - Review the suggested text and make sure it mirrors the changes proposed, with a view to completing the draft Report at next month's meeting.	E.ON (SB) and SGN (JM)	Carried forward
Dis0909	23/09/10	3.3	0047Dis Third Energy Package – 1) Revise table and make available to Shippers for completion, via Joint Office website. 2) Shippers to complete and return to xoserve and Ofgem for initial consideration.	xoserve (AM) and ALL Shippers	Part 1 - Complete. Part 2 - Carried forward.
Dis1001	12/10/10	2.1	UNC0292 - Rules to be outlined for AQ Amendments, considering how files will be processed.	Scottish Power (KK)	Pending
Dis1002	12/10/10	2.1	UNC0292 - Transporters to obtain a view from xoserve on managing a daily allowance.	Tranporters	Pending