
Review Group 0329 Minutes
Review of Industry Charging and Contractual Arrangements – DM
Supply Point Offtake Rates (shqs) and DM Supply Point Capacity
(soqs)

Wednesday 22 June 2011

via teleconference

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
David Watson	(DW)	British Gas
Joanna Ferguson	(JF)	Northern Gas Networks
Joel Martin	(JM)	Scotia Gas Networks
Steve Mulinganie	(SM)	Gazprom
Steve Forrest	(SF)	Scotia Gas Networks

1. Introduction and Status Review

Copies of all materials are at: www.gasgovernance.co.uk/0329/220611.

Minutes from previous meeting (20 April 2011)

The minutes from the previous meeting were approved.

1.1. Review of actions from previous meetings

Action 0329/006: JM to assess the feasibility of producing SHQ usage reports on all DM sites to the relevant Shippers.

Update: JM confirmed that Scotia Gas Networks (SGN) could provide these on a Shipper by Shipper basis, and these would indicate where, currently, the SHQ might need to be amended. The reports would provide both a sense of materiality to what might potentially be an ongoing issue of overstatement, or indicate a one off spike - that may of itself be a cause for concern. **Closed**

Action 0329/007: Transporters to write to Shippers to address SHQs that are currently out of sync.

Update: JM confirmed that SGN had written to individual Shippers regarding their current SHQ levels, and the exercise had been successful in amending some to be more reflective of actual requirements. JF reported that Northern Gas Networks had not yet written to Shippers. AR was unable to comment on National Grid Distribution's position, but will confirm. No representative from Wales & West Utilities was present. **Carried Forward**

Action RG0329/009: Scotia Gas Networks (JM) to prepare a draft modification to introduce a SHQ review process.

Update: Produced for discussion at this meeting. **Closed**

Action RG0329/010: DNs (ST) to present a possible way forward on the SOQ reduction process.

Update: JM had discussed this with ST (WWU) and the proposed way forward was as suggested to the previous meeting. TD suggested producing a draft modification was likely to be the most profitable next step. JM agreed to speak to ST regarding this. **Closed**

2. Consideration of decreasing DM SHQ/SOQ and removal of bottom-stop restrictions

Covered under actions, above - JM agreed to approach ST with a view to producing a draft modification to address the SOQ reduction process.

3. Consideration of draft UNC modification

3.1 Introduction of a Supply Point Offtake rate Review and Monitoring Process

JM briefly explained the intent of the draft modification and, in response to questions, confirmed that it focused very much on DM supply points that are material to the operation of the network. There would not be a requirement to run a report on every DM supply point, and it was not anticipated that Shippers should be inundated with requests for information.

TD asked Shippers for their views. Given his portfolio DW stated that he did not see it as a massive issue and was not expecting to receive many reports. SM was slightly concerned that market boundary changes may be affected, and hoped that this would not cause future problems. Responding, AR pointed out that this was trying to ascertain a realistic maximum number for capacity design on an annual basis, to understand what a big site's peaks were. The planning teams were not seeking reams of data, but wanted to focus on peak numbers that are big/materially different. It was confirmed that reports would only be generated for sites where SHQs and observed data were inconsistent, and the site is material to network operation. There was no proposal to require Shippers to provide hourly data to Transporters and no proposal for additional data to be collected.

JM observed that the proposed modification should provide opportunities to improve and enhance operational communication channels between parties and contribute to the formulation of better relationships. Noting it was a review process, JM believed that the first year could produce a bit of a 'peak', but this should reduce going forward. The reports are to help check if the data signals are correct and ensure things are not missed.

JM highlighted the existing obligation on Shippers to take reasonable steps to be aware of and communicate increases in SHQs. The draft modification seeks to extend this such that both increases and decreases would be covered.

SM acknowledged that the modification seemed reasonable, but remained keen to ensure it did not become a very bureaucratic process. As discussed during the meeting, it should not be onerous for Shippers to respond with a rational explanation for any material differences and hence to provide the Transporters with accurate SHQ information for network planning.

Concluding, JM confirmed that any further comments would be welcomed. The draft modification would now be formalised with the intention of submitting it to the July UNC Modification Panel.

4. Draft Review Group Report

TD explained that the Review Group Report was due to be submitted to the August UNC Modification Panel. It was agreed that the Joint Office should produce a draft report, the bulk of which would be the two draft modifications (when available). A further meeting of the Review Group can be arranged to approve the Report if necessary, but this will be completed by correspondence.

5. Any Other Business

None raised.

6. Diary Planning for Review Group

No further meetings are planned at present; any new arrangements will be notified as necessary.

Review Group 0329 Action Log

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0329 0006	23/11/10	2.	JM to assess the feasibility of producing SHQ usage reports on all DM sites for the relevant Shippers.	Scotia Gas Networks (JM)	Closed
RG0329 0007	23/11/10	2.	Transporters to write to Shippers to address SHQs that are currently out of sync.	Transporters	Carried forward
RG0329 0009	14/02/11	2.1	Prepare a draft modification to introduce a SHQ review process.	SGN (JM)	Closed
RG0329 0010	14/02/11	3.	Present a possible way forward on the SOQ reduction process.	DNs (ST)	Closed.