

UNC Workgroup 0326VV Agenda
Allocation of unidentified gas following the appointment of the Allocation
of Unidentified Gas Expert (AUGE)

Monday 15 August 2011

31 Homer Road, Solihull, B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alex Ross	(AR1)	Northern gas Networks
Alison Jennings	(AJ)	Xoserve
Chris Warner	(CW)	National Grid Distribution
Colin Thomson	(CT)	Scotia Gas Networks
Darren Lindsay	(DL)	E.ON UK
Dave Corby	(DC)	National Grid NTS
Fergus Healy	(FH)	National Grid NTS
Gareth Evans	(GE)	Waters Wye Associates
Joanna Ferguson	(JF)	Northern Gas Networks
Jonathan Wisdom	(JW)	RWE npower
Karen Kennedy	(KK)	Scottish Power
Lesley Ramsey	(LR)	National Grid NTS
Lisa Harris	(LH)	Shell
Mark Jones	(MJ)	SSE
Simon Trivella	(ST)	Wales & West Utilities
Stefan Leedham	(SL)	EDF Energy
Steve Mulinganie	(SM)	Gazprom
Sue Prosser	(SP)	Xoserve

Copies of all papers are available at www.gasgovernance.co.uk/0326/150811.

1.0 Outline of Modification

KK explained its history and the variation to 0326V, and a brief discussion ensued.

SM was concerned that, on the one hand the industry was paying for a supposedly competent expert to identify misallocated gas, and then on the other was trying to mitigate against what could be deemed incompetency if something then came to light that the expert had previously failed to identify. GE observed that £500k was being spent to obtain a forward looking view and this was proposing going backwards and reconciling to a date set in the past; the impact may be such that an AUGE may therefore not be needed if the industry waited until more information was available. KK did not feel that a subsequently uncovered issue should left as a misallocation. SM believed it exposed the market to an unquantifiable risk that was at odds with the appointment of an expert.

KK indicated that the concern was that no mechanism existed to deal with such a situation. ST believed that any such mechanism should apply to something that could

be demonstrated to be entirely new and unforeseen. JW observed that he would want the AUGÉ to recalculate if new information came to light that could affect the previous decision; if materially significant then recalculation and reconciliation should take place. SM questioned whether this should be data pertaining to a known or unknown issue; would previous reports then be negated? CW questioned the logic for excluding some categories and not others, and indicated that drafting the legal text had been difficult. ST asked if the AUGÉ process was going to be made retrospective, with a reconciliation element to be accommodated; would this then become a yearly occurrence. KK noted these points for reconsideration, and would look at the exclusions and see if these remained appropriate. She would add clarity to the intent of the modification, for further debate at the next Workgroup meeting

Action 0326V/0801: Revise the modification in light of comments received.

CW confirmed that draft Legal text had been provided for 0326VV and this would be revised as appropriate. **Post Meeting Note:** *The draft legal text is available at www.gasgovernance.co.uk/0326.*

2.0 Consider Terms of Reference

No further comments were provided.

3.0 Discussion

No further discussion.

4.0 Any Other Business

None raised.

5.0 Diary Planning for Review Group

The next meeting will be accommodated within the business proceedings of the Distribution Workgroup, and will take place on Thursday 25 August 2011, at Elexon, 350 Euston Road, London NW1 3AW.

Workgroup 0326VV - Action Log

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0326V/0801	15/08/10	1.0	Revise the modification in light of comments received.	ScottishPower (KK)	Pending