

UNC Workgroup 0428 Minutes Single Meter Supply Points

Tuesday 10 July 2012

at 31 Homer Road, Solihull, B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alex Ross*	(ARo)	Northern Gas Networks
Alison Jennings	(Aje)	Xoserve
Andrew Margan	(AMa)	British Gas
Anne Jackson	(Aja)	SSE
Brian Durber*	(BD)	E.ON UK
Chris Warner	(CW)	National Grid Distribution
Darren Lond	(DL)	National Grid Transmission
David Addison	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
Erika Melèn	(EM)	Scotia Gas Networks
Fergus Healy	(FH)	National Grid Transmission
Gareth Evans	(GE)	Waters Wye Associates
Joanna Ferguson	(JF)	Northern Gas Networks
Joel Martin	(JM)	Scotia Gas Networks
Jonathan Dixon*	(JD)	Ofgem
Kathy Heard	(KH)	National Grid Transmission
Lorna Lewin	(LL)	DONG Energy
Matt Smith	(MS)	Xoserve
Richard Vernon	(RV)	RWE npower
Steve Mulinganie	(SM)	Gazprom

*via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0429/100712.

1.0 Outline of Modification and initial discussion

AR introduced the modification, explaining the intention.

AR advised that sites should be registered per meter supply point and that transportation charges ought to be calculated against each meter point accordingly. It was anticipated that 87,000 supply meter points would be affected, though a proportion of these meter points would not be affected by this change.

SM wasn't convinced that the configuration would be simply due to downstream arrangements, he believed some were due to legacy engineering and would be impacted. He was particularly concerned of the impacts to customers, such as hospitals and universities and believed it would be prudent to include such consumer groups with the considerations.

GE was concerned about the costs of de-aggregating and the associated billing costs.

AR anticipated that suppliers would be involved with the re-confirmation process but was not adverse to undertaking this process if suitable rules could be agreed.

SM was concerned about imposing a change on customers when they did not have a choice about the engineering arrangements for the site when competition was introduced.

AR did not envisage re-engineering and that each meter supply point could be considered individually.

SM believed that meters would be need to be stripped out which would affect of a number of parties including the MAM, this would make meters redundant before the end of their lifespan.

BF asked about the likely difference in costs for such sites. AR did not envisage a substantial increase in costs for most sites.

AR explained that there were scenarios where properties on one side of a street benefits from low transportation charges compared to the other side of the street as they had one common owner. From a pure transportation perspective customers were being treated differently and he believes there is no justification for favourable treatment at the detriment of other customers.

GE was keen at looking at the justification for sites being aggregated and considering a more appropriate methodology.

The history behind multiple meters on sites was discussed and that the market had been developed not to adversely affect the customer from the introduction of competition.

AJa wished to understand the basic costs of the change and understand the benefits. How many sites were impacted and what the impact will be financially with transferred revenues.

SM wished to understand the potential re-engineering costs compared to the status quo. He was concerned that if transportation costs were to be substantially increased, customers would request re-engineering to avoid these costs.

GE wished to set some principles, for example are the current processes robust to ensure customers are not benefitting from reduced transportation charges at the expense of others, e.g. looking at the aggregation rules. He suggested a similar process could be used to that of the treatment for the Prime and subs market in that any new sites would have a single meter point process applied but those that are currently configured wouldn't have a change forced upon them.

The Workgroup discussed the information they would require to assist with the assessment of this modification, for example the likely change in charges, the number of sites that would not be affected by a change, what efficiency savings can be achieved. AR agreed to provide some more information to assist the Workgroup

New Action 0001: National Grid to provide further information on the impact to customers including how much charges are likely to change considered by EUC bands.

2.0 Consider Terms of Reference

The Workgroup raised no issues regarding the Terms of Reference.

3.0 Any Other Business

None raised.

4.0 Diary Planning for Review Group

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place within the Distribution Workgroup on:

Wednesday 08 August 2012, 10:30, 31 Homer Road, Solihull, B91 3LT

Workgroup 0428 – Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0001	10/07/2012	1.0	Provide further information on the impact to customers including how much charges are likely to change considered by EUC bands.	National Grid Distribution (AR)	Pending