

UNC Workgroup 0428 Minutes Single Meter Supply Points

Thursday 27 September 2012

ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	(LD)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid Distribution
Alex Ross	(ARo)	Northern Gas Networks
Andrew Margan	(AM)	British Gas
Andrew Wallace	(AW)	Ofgem
Anne Jackson	(AJ)	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
Elaine Carr*	(EC)	ScottishPower
Erika Melen	(EM)	Scotia Gas Networks
Fergus Healy	(FH)	National Grid NTS
Gareth Evans	(GE)	Waters Wye (for Total and Corona)
Lorna Lewin	(LL)	DONG
Mark Jones*	(MJ)	SSE
Steve Mulinganie	(SM)	Gazprom

*via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0428/270912.

The Workgroup Report is due to the UNC Modification Panel on 20 December 2012.

1.0 Review of Minutes and Actions from previous meeting

1.1. Minutes

The minutes of the previous meeting were accepted.

1.2. Actions

0001: National Grid to provide further information on the impact to customers including how much charges are likely to change considered by EUC bands - Give a breakdown of the samples used in the presentation figures.

Update: AR gave a presentation, see 2.0 below. **Closed**

0002: To identify if NDM sample recorders can be installed on a Supply Point (or is it Meter Point only).

Update: DA confirmed this could be done. There were data recorders on multi-metered Supply Points. **Closed**

0003: Look at impacts on charging methodologies and NDM pricing philosophy.

- (a) All Shippers to consider potential impacts in their own organisations; and
- (b) suggest any changes.

Update: AM reported that British Gas had looked at this and confirmed that it was happy with the principles as they are.

AJ asked if an I & C Supplier could continue to supply what may have become a domestic point under any split, and reported that SSE was currently checking out its initial concerns regarding this scenario. A brief discussion took place. GE believed it would not be an issue, referring to Supplier Licence Condition 6. **Closed**

0004: Look at impacts on charging methodologies and NDM pricing philosophy.

- (c) Transporters to table at DNCFM to consider what the consequential effects of moving to Single Supply Point charging might be.
- (d) Are there any impacts on the charging methodologies and would these have ramifications for the basic principles/philosophy?
- (e) Report on the outcome of DNCFM discussions to this Workgroup.

Update: AR confirmed that DNCFM was reviewing potential impacts, but there was nothing to report as yet. GE asked for confirmation that any views from the DNCFM should be brought back to this meeting for discussion.

Carried Forward

2.0 Discussion

AR gave a presentation in response to Action 0001, providing figures for the population of meter points by SPAQ band and grouping size. A typical form of capacity charging curve was illustrated, and a brief discussion on aggregation and disaggregation followed. A few will pay more and many will pay a lot less.

AR explained some points of interest under each Supply Point category.

Two site diagrams were displayed, explained, and then discussed. GE commented that some sites had made engineering decisions based on rules prevailing at the time, which may now be disadvantageous if this new regime is implemented. SM indicated that Shippers have concerns with the element of retrospectivity and there is a certain reluctance to appear to penalise customers for historic engineering decisions, which may not even have been the customer's decisions but those of the expert at the time, ie the Transporter. Initial analysis indicates that a number will be penalised. If it were to be prospective then there would be less of a problem for Shippers and more specifically, consumers.

AR confirmed there would be no changes until Q4 2015, and reiterated that what is perceived as an inappropriate transportation subsidy is what was being addressed over the long term, whilst recognising that this may have an impact on customers who will have enjoyed this advantage up to that point, they will no longer have that benefit going forward. The change will be phased in. Primes and Subs were considered to be a separate issue.

'Grandfathering' was discussed and AR confirmed this would not be offered.

Discussing the proposed 3 Phase approach, AM questioned how fixed the dates were. GE observed that phase 2 gave time to re-evaluate gas use/costs and assess any re-engineering solutions, etc, whereas phase 1 does not give any time; he then suggested combining all phases to the later date to give more time for adjustment as

the real benefits were not being realised until the last phase. The aim would be to reduce the numbers, and where the effects would be minimal is where to start should the modification be implemented.

New Action 0005: AR to review the U60s and U16s meter types, analysis and population, and review the phasing accordingly.

AM queried how many customers would eventually drop into RbD? British Gas (BG) is undertaking a review of its systems and unreconciled accounts would be of concern; from 01 April 2014 this will have implications on BG's charging plans as any potential effects will not have been accommodated. Any support therefore would be very reluctant. AR believed around 35,000 meters would drop into RbD. AM expressed his concern that individual meter point reconciliation should be in place before this modification, if implemented, takes effect.

SM would be happier if customers were given the opportunity (the longer the better) to engineer out because of recognised financial consequences. AM also believed there were issues regarding timing and following further consideration will contact AR with comments.

AR concluded from this discussion that a phased approach was not popular, and asked if the proposal might be more palatable without the phasing. GE responded that one release would be preferable, as he could see no real benefit in doing it over 3 phases. This view was shared by AM. AR then suggested a 3 month window for Shippers to take action and if nothing happens then the Transporter(s) would take appropriate action.

BF asked if parties had any further comments. AW added that Ofgem was working to understand the impacts of the proposal and will contact AR to discuss.

FH reported that National Grid NTS' Connection Team had been reviewing the position, and it was believed that 6-8 sites might be impacted. There were no benefits for National Grid NTS or its customers that are realizable, and it was suggested that National Grid NTS supply points be excluded from this modification. (According to the legal team this should be possible; there were no discrimination issues.) AR believed that twin stream metering (not multi-metered Supply Points) would be an exemption from this and would provide some information to FH for internal discussion.

BF reminded the Workgroup that it was due to report to the UNC Modification Panel on 20 December 2012.

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

The next meeting will take place within the business proceedings of the Distribution Workgroup on:

Thursday 25 October 2012 at 31 Homer Road, Solihull, B91 3LT.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0001	10/07/12	1.0	Give a breakdown of the samples used in the presentation figures.	National Grid Distribution (AR)	Closed
0002	23/08/12	2.0	To identify if NDM sample recorders can be installed on a Supply Point (or is it Meter Point only).	Xoserve (DA)	Closed
0003	23/08/12	2.0	Look at impacts on charging methodologies and NDM pricing philosophy. (a) All Shippers to consider potential impacts in their own organisations; and (b) suggest any changes.	ALL SHIPPERS	Closed
0004	23/08/12	2.0	Look at impacts on charging methodologies and NDM pricing philosophy. (a) Transporters to table at DNCFM to consider what the consequential effects of moving to Single Supply Point charging might be. (b) Are there any impacts on the charging methodologies and would these have ramifications for the basic principles/philosophy? (c) Report on the outcome of DNCFM discussions to this Workgroup.	Transporters (AR)	Carried forward
0005	27/09/12	2.0	Review the U60s and U16s meter types, analysis and population, and review the phasing accordingly.	National Grid Distribution (AR)	Pending